

# **Hessequa Municipality Draft Annual Report for 2006/2007**

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# **Table of Contents**

Chapter 1: Introduction and Overview

Chapter 2: Performance Highlights

Chapter 3: Human Resource and the Organisational Management

Chapter 4: Audited Statements and Related Financial Information

Chapter 5: Functional Area Service Delivery Reporting

## Chapter 1: Introduction and Overview

### 1.1 Mayor's Foreword

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### 1.2 Statement by the Municipal Manager

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### 1.3 Overview of Municipality

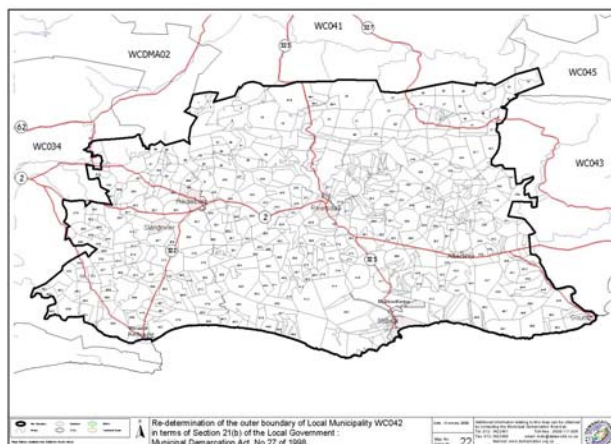
- **Geographic Profile**



Located in the **Western Cape** and in the District municipality **Eden District Municipality [DC4]** . The Local municipality of **WC042** consists of **8** wards. The new name of the municipality is **Hessequa Local Municipality** and the geographical area of the municipality is **5733.5790** square kilometres.

- **Demographic Profile**

Originally the Hessequa Municipality, WC042, consisted of six local municipalities that



amalgamated in December 2000 to form geographically the biggest local municipality in the Eden District. Now the Hessequa Municipality is divided into eight electoral wards. Hessequa have three coastal towns and four inland towns. The Hessequa Economy is mostly dependent on agricultural activities.

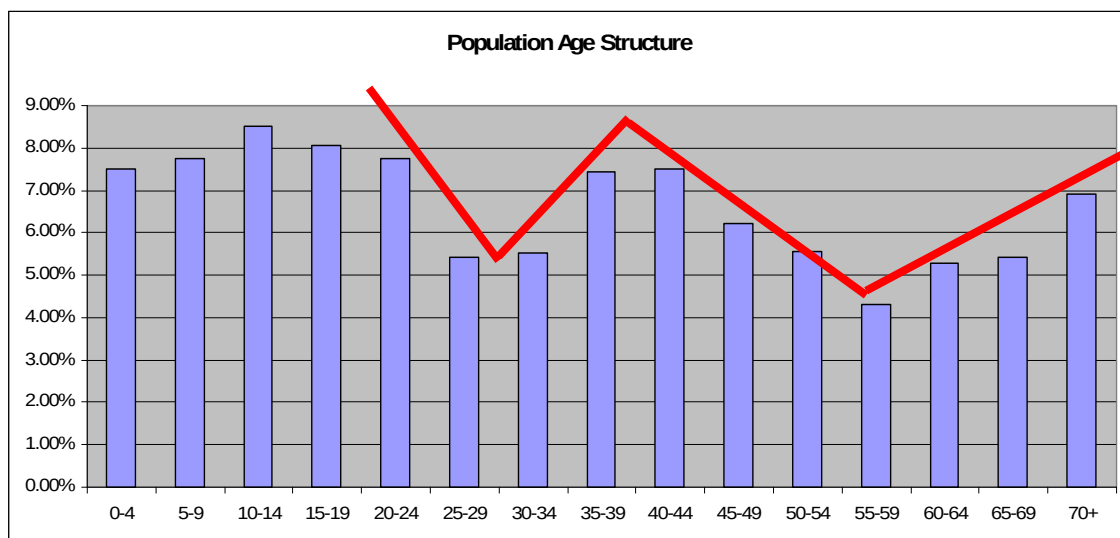
With communities relatively far from each other and central service delivery nodes, there is a huge institutional challenge on the Hessequa Municipality to ensure that development meets the needs of the communities. It is also of utmost importance to get a clear picture of the current circumstances faced by individuals, and the individuals themselves, in each of the eight wards of Hessequa.

This profile is aimed at getting an understanding of Hessequa Municipality in a comparative analysis of the wards. This input for the Hessequa Integrated Development Plan is based primarily on the statistics received from a survey done by the Eden District Municipality throughout Eden on a very large scale.

The findings of this survey are very significant to Hessequa as we only have demographic information from 2001 census. We have experienced immense changes in all our communities during the past few years as well as in the different sectors that are the building blocks for our communal well-being. Some sectors have been asking for more resources, but were unable to prove their growing need. These statistics are shedding new light on the dynamics of the wards in Hessequa Municipality.

### **Population of Hessequa**

The following chart displays the age break-up of Hessequa's population. These statistics prove the loss of the developing labour force, meaning that skills are not developed in Hessequa, as well as the loss in experienced labour. These trends are reflected in each ward's statistics.

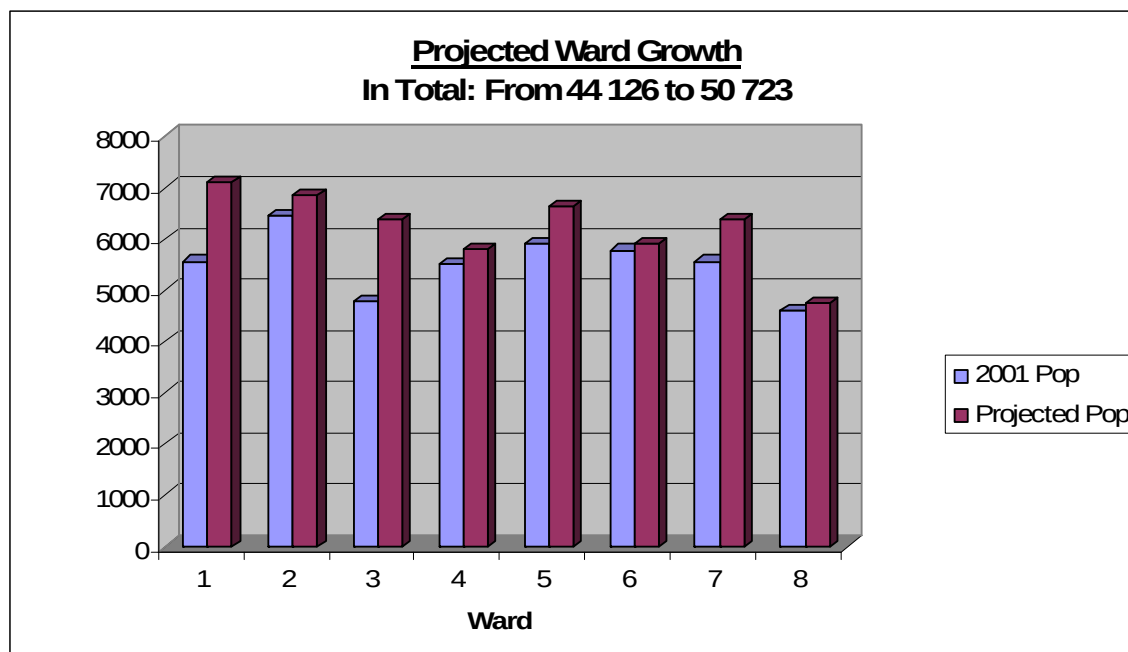


### **MUNICIPALITY HESSEQUA WARD COMPARISON**

| Ward   | Ward Demography | Household Count | % of Municipality | Ward Area [km <sup>2</sup> ] | Density [People/km <sup>2</sup> ] |
|--------|-----------------|-----------------|-------------------|------------------------------|-----------------------------------|
| Ward 1 | 4933            | 1 276           | 12.79             | 710.45                       | 6.94                              |
| Ward 2 | 5161            | 1 484           | 13.38             | 1001.15                      | 5.16                              |
| Ward 3 | 3833            | 1 322           | 9.94              | 1530.27                      | 2.50                              |
| Ward 4 | 5240            | 1 182           | 13.59             | 1010.06                      | 5.19                              |
| Ward 5 | 5285            | 1 285           | 13.70             | 24.52                        | 215.54                            |
| Ward 6 | 5272            | 1 313           | 13.67             | 1233.877                     | 4.27                              |
| Ward 7 | 4214            | 1 006           | 10.93             | 219.48                       | 19.20                             |
| Ward 8 | 4628            | 877             | 12.00             | 1.25                         | 3702.40                           |
|        | <b>38566</b>    | <b>9 744</b>    | <b>100</b>        | <b>5731.057</b>              |                                   |

SOURCE: Table 06 - 19: Demarcationboard: 2003

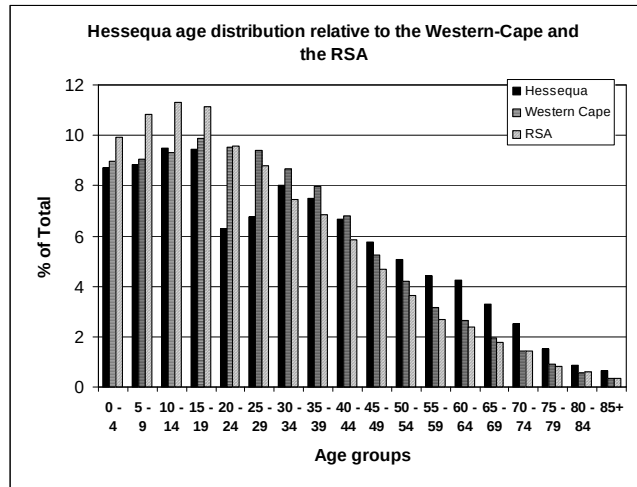
The following chart indicates a projected ward growth from 2001. This information is based on the ward demarcations from 2001 and then projected by using the growth rate of households in each separate ward to get a projected population count. This clearly indicates the huge growth in certain wards, especially coastal regions, implicating the need for infrastructure development. Also a reasonable amount of growth in poorer communities, implicating the growth in social need as well.



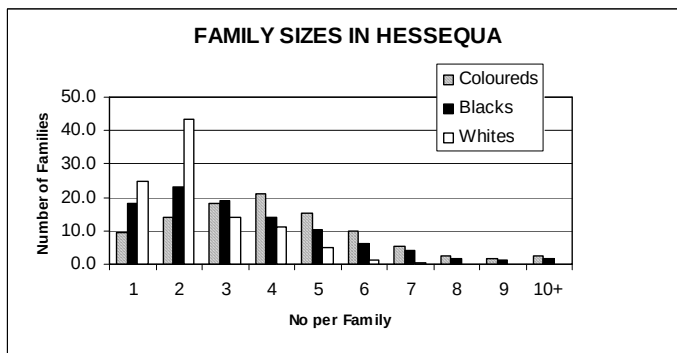
- **Socio-economic Profile**

### 6.1.1. Demographics

Hessequa is a low-density extensive rural Afrikaans-speaking area. Three inland towns (Riversdale, Heidelberg and Albertinia) an inland village (Slangrivier), a coastal town (Stilbaai) and four coastal villages (Witsand, Gouritsmond, Jongensfontein and Melkhoutfontein) house about 70% of the population. The salient statistics from the 2001 Sensus are:



|                                                  |           |
|--------------------------------------------------|-----------|
| Estimated population size (2001)                 | 44117     |
| Coloured                                         | 30947     |
| White                                            | 11349     |
| Black                                            | 1781      |
| Indian/Asian                                     | 40        |
| Number of households                             | 9745      |
| Major language (> 95%)                           | Afrikaans |
| Estimated annual income per household (Rand)     | 28610     |
| Area km <sup>2</sup>                             | 5731.1    |
| Population density No./km <sup>2</sup>           | 6.7       |
| Average household size                           | 4.0       |
| Population growth rate (% per annum) 1991 – 1996 |           |
| Urban                                            | 3.0       |
| Rural                                            | -2.1      |



The urban population is growing whilst the rural population is declining. The immigration of elderly (pre)-retired people to coastal towns and villages and younger people from the Eastern Cape has grown the population. Rural depopulation is closely linked with agricultural dynamics (see later).

More than 60% of whites live in one or two-person households. Black households also peak at 2-person households but some can be large. Coloured households peak at four persons but some can also be very large. The dependency factor in the coloured and black households is high.

Young people leave the municipal area to seek opportunities elsewhere whilst the area is particularly rich in elderly people, partly as a result of the immigration of elderly people to the South Cape, including Hessequa. The youth gap is particularly strong in the white

## Hessequa – changes in structure of economy (1996 to 2002)

and coloured groups, but this is not true for Africans. Their distribution suggests a higher density of young black people, possibly because they perceive more opportunity in Hessequa than where they come from (mostly the Eastern Cape).

### 6.1.2. Education

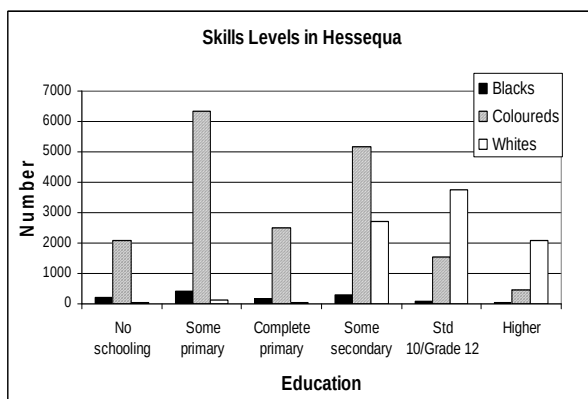
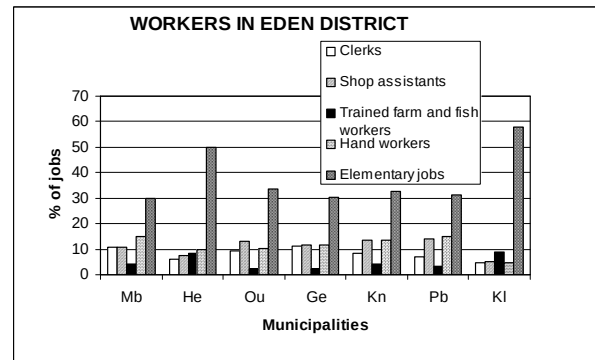
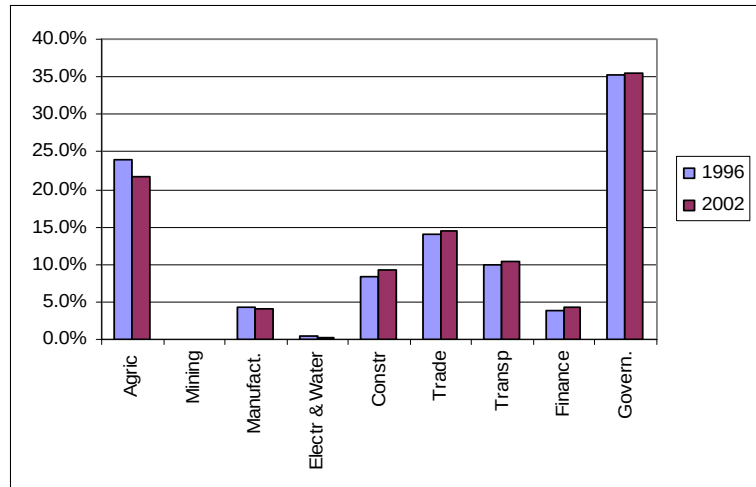
Children (age 19 or less) constitute about 35% of Hessequa's population. A large percentage of young children do not attend pre-school facilities.

This is particularly true for the black and coloured groups. About 57% of children are in school (blacks about 49%, coloureds about 55% and whites about 65%). Very few children in Hessequa are involved in post-matric studies; young people have to leave the area if they want to obtain further training/education.

### 6.1.3. Skills Levels

Hessequa is a rural agricultural area dominated by commodity agriculture similar to Kannaland. No wonder that elementary jobs dominate and that the highest relative percentages of trained agricultural workers are encountered in Hessequa and Kannaland. Clerks, shop assistants and hand workers are fewer.

Poor skills levels occur mainly in the black and coloured groups. Higher schooling is largely present amongst whites but is growing in the coloured group. Many elderly residents in Hessequa have degrees but most are no longer economically active. Neither the type of work available in Hessequa nor the present skills levels offer attractive bases for diversification of the local economy or migration of businesses from the Second to First Economy.



### 6.1.4. Poverty and inequality

Significant portions of black (~80%) and coloured (~75%) and fewer white Hessequans (~ 29%) live below the poverty line. There are pockets of extreme poverty, for example in Kwanokuthula in Riversdale and Slangrivier. Each of the inland towns has a large group of poor people, a result of past discrimination and current unequal patterns of land and business ownership and the skills gap.

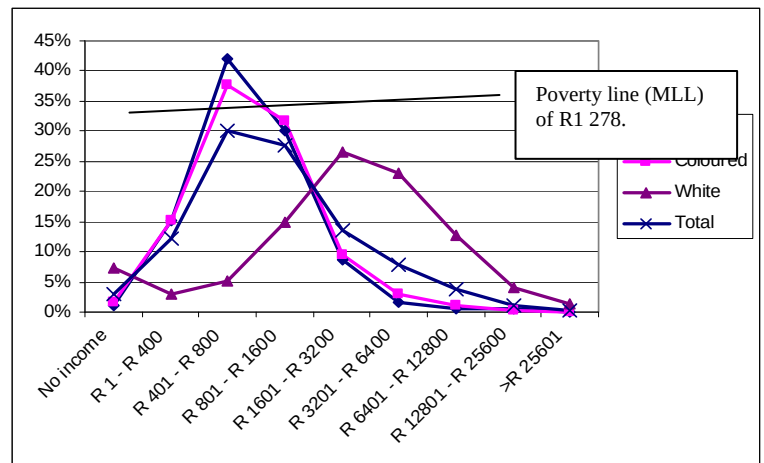
The established patterns of poverty and inequality are reinforced by economic trends that impact harshly on semi-skilled and unskilled workers. This includes a decline in the fishing industry, the vagaries of droughts and floods, and the seasonal nature of agricultural, tourism and domestic work. The decline of the inland towns and the rise of the coastal towns (see later) have resulted in hundreds of workers having long daily commutes from the inland to the coastal towns and back to work.

In the disadvantaged groups, women bear the brunt of poverty, a lack of social cohesion, high levels of violence, gender inequality and alcohol abuse.

### 6.1.5. The local formal economy

Hessequa's formal economy is 0,5% that of the western Cape whilst its population is 0,9%, suggesting that the local economy is under performing relative to that of the Western Cape.

The agriculture, construction, transport and government services sectors are areas of strength in the local economy whilst the manufacturing and financial services sectors are less important.



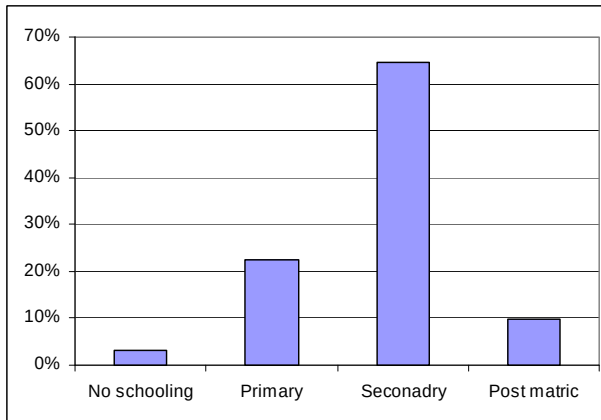
The agriculture and manufacturing sectors declined in importance between 1996 and 2001 whilst the construction, trade, transport and finance sectors showed some growth.

Employment increased in most sectors between 1996 and 2001. Agriculture is still a major employer in Hessequa, whilst the construction, trade, financial services, and government have also increased employment.

Analyses showed Hessequa enjoys a comparative advantage in three sectors, namely agriculture, construction and government. The comparative advantages relative to the Western Cape in agriculture and construction are significant.

The production of wheat and other grains in Hessequa has stabilised over the past number of years. More Canola and Sunflower are produced than earlier whilst the sheep population has also grown. Ostrich, dairy and vegetable production are down but game farming is rising (but from a very low base). Overall, the agricultural focus of Hessequa has not changed much over the last century apart from crops such as Canola being introduced.

### Education levels of informal entrepreneurs

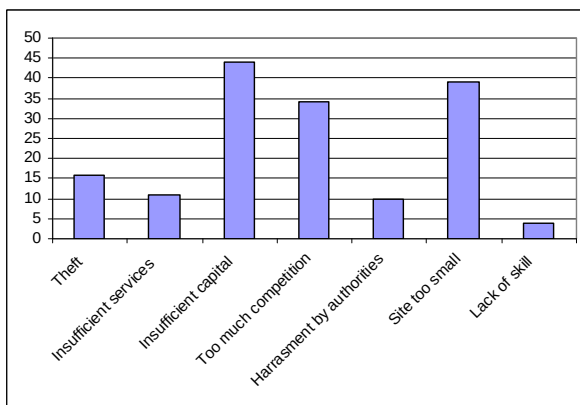


Land ownership is almost exclusively in the hands of whites. There are a number of small PDI farmer initiatives, but these are mostly struggling because of a lack of experience, strategic planning, resources and help. The BEE targets for agriculture are daunting and a clear strategy is lacking.

### 6.1.6. The local informal economy

Many people in Hessequa, especially in PDI communities, are forced to enter the informal economy to survive financially. The majority (41%) of the informal businesses are involved in trade-related enterprises (mostly spaza shops but shebeens also proliferate), followed by manufacturing (~17%). The majority (72%) of the enterprises operate from homes, mostly inside the house itself (57%), whereas 15% operate outside in the open air.

### Factors hampering the informal sector



Only 20% of the owners rent the structure in which they conduct their

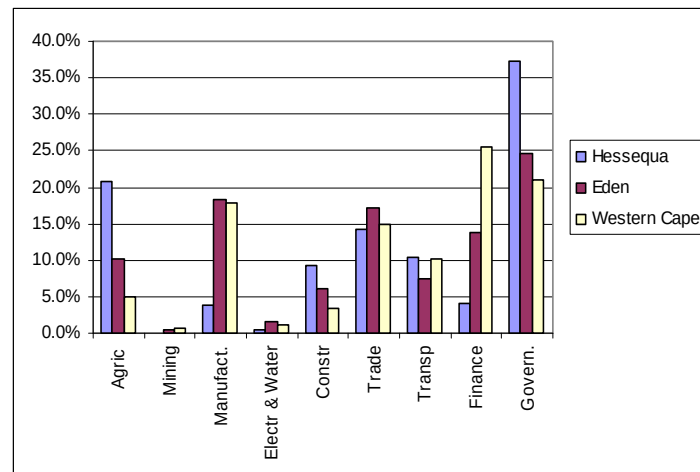
business, with the rest own the structure. Most of these entrepreneurs do not have much choice in the location of their enterprise, as their private houses offer the best option (e.g. it is affordable). The spaza shops are part of an important mechanism to circulate money in PDI communities.

The entrepreneurs are mostly 30 years or older. It is surprising that young people do not seem to be willing to risk becoming entrepreneurs. Entrepreneurial training obviously lacks in the region.

Surprisingly most entrepreneurs are relatively well schooled, having at least a secondary education. It shows that even the informal economy in Hessequa needs people with knowledge and skills.

A number of factors, particularly the lack of money, competition and small sites, are hampering informal entrepreneurs.

Hence they are in need of soft loans and facilities where they can manufacture and trade. They also need training in business skills and better equipment.



### 6.1.7. The factors that shaped the modern Hessequa economy

#### 6.1.7.1 Focus on commodities

Agricultural commodities from Hessequa have traditionally mostly been (and are still being) exported to somewhere else where value addition takes place. This has introduced distortions in the local economy. It also means that all potential benefits from the local economy are not being realised.

#### 6.1.7.2 A lack of minerals

The lack of minerals in the Western Cape, including Hessequa, means that mining has never become a significant part of the local economy.

#### 6.1.7.3 Development of towns

Two sets of needs drove the development of the region's towns. Firstly, the needs of farmers for churches, schools, supplies, markets and government services (e.g. security services) led to requests to the Dutch East India Company to establish towns. In addition, the authorities, particularly the British, were worried about the viability of the rural areas. As a consequence, towns such as Swellendam and later Riversdale and Heidelberg were founded to attract more settlers and to strengthen the region.

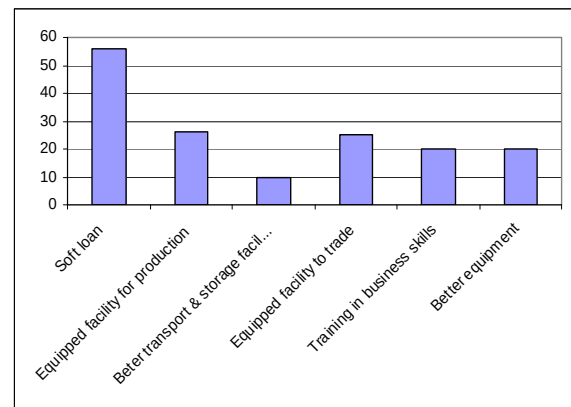
#### 6.1.7.4 Innovation and “inkommers”

Agricultural innovation led to the establishment of first wool and later crops such as wheat and other grains as commercial products. New economic opportunities were almost without exception introduced by newcomers to the region. The use of the Afrikaans word “inkommer” to this day has a derogatory context reflecting the inclination of the regional inhabitants to resist change. Some people see this as being “traditional” and, hence, worthwhile.

#### 6.1.7.5 Strife, “future shock” and the “NIMBY” principle

The arrival of Khoi-Khoi herdsmen in the region led to strife between them and the San tribes. The arrival of Trekboers led to strife between them and the Khoisan and Xhosa people. The arrival of commercial farmers led to strife between them and the subsistence farmers. The arrival of new immigrants from the Eastern Cape and from Gauteng is causing strife between the original and the new residents. There is a historical trend in Hessequa of tension between the old and the new. Resistance to change creates a huge inertia that must be overcome during economic renewal.

Hessequa is also experiencing a healthy dose of Nimby (slang for “Not in my backyard”). This is taking many different forms. For instance, a substantial part of the coastline is the property of (often absent) landlords who do not allow public (or tourists) access to the sea and beaches. Conservation is often cited as the reason why access is controlled. Retired people in coastal towns often vigorously campaign against the further development of these towns.



The Nimby attitudes tend to limit the economic choices of the region. For instance, how does one promote coastal tourism if tourists cannot access the sea and beaches along sizable chunks of the coastline?

The term “Future Shock” was coined by Alvin Toffler and refers to the situation under which the prospects of a changing future literally “freeze” people into apathy or inaction. The apathy of many leaders and people in Hessequa towards involvement in the debate on tough issues such as BEE, skewed income and ownership patterns of land and businesses suggest that “future shock” is present and impeding the process of economic strategy formulation.

#### **6.1.7.6 The impact of modern transport and communications technologies**

For about 150 years agriculture and communications in the Overberg and beyond were hampered by the difficulty to reach Cape Town over poor tracks and difficult mountain passes. Lack of mobility was a huge impediment. This promoted existence farming.

The British annexation of the Cape in 1806 and strategic decisions to strengthen the hinterland resulted in new opportunities, including the rise of the Barry and Nephews commercial empire. The use of boats to move goods from Port Beaufort (Witsand) and Malgas in the mid 1800s promoted wool as an export product from the South Cape. Existence farming gave way to commercial farming and prosperity increased. Later ostrich feathers, wheat and a range of other agricultural products followed. Agricultural prosperity became the driving force in the rise and prosperity of the inland towns, and as agriculture prospered the towns prospered.

By the end of the 20<sup>th</sup> century developments were on the horizon that would weaken the link between town and agriculture. The development of a railway line that linked Worcester with George and the implementation of the telegraph added totally new dimensions. Mobility of man and produce and effective communications were hugely improved. The improved mobility and communications enhanced business and commercial farming and forestry. Agriculture prospered and, as a consequence, the towns of the region prospered.

Railway development was followed by the improvement of the road systems of the southern Cape. This unlocked the tourism potential of the region. The southern Cape coast became a desired vacation destination and eventually a preferred retirement destination. Eventually the stranglehold on road transport of the Department of Transport was broken. This opened up road transport as a means of serving local and other markets. The N2 now carries millions of vehicles every year and traffic density is on the increase.

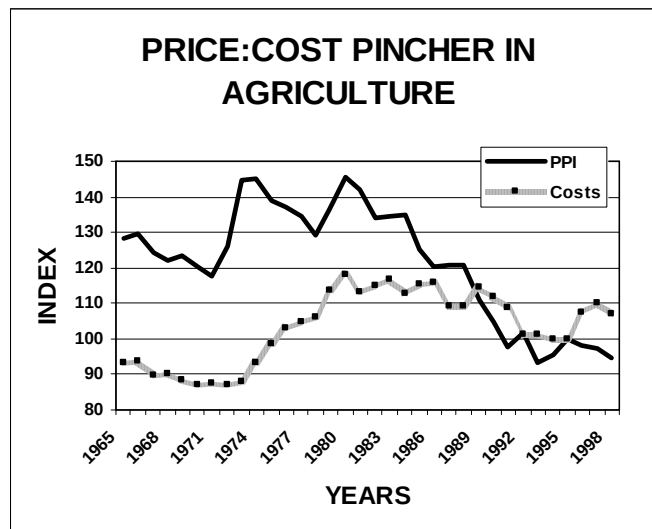
Increased mobility, however, had several stings in the tail. Firstly, commercial farmers supplying primary agricultural products to major markets were subject to the discipline of those markets. If a farmer could not supply produce profitably, he had to improve his productivity or face ruin. This was true a century ago and it is true today. Southern Cape commercial farmers now operate within a global market where survival depends on having world-class capabilities in order to survive in your own market place (see also the following section)

The second effect of increased mobility was that large trading companies realised that there were attractive markets in the rural areas that they could serve. This brought

enormous competitive pressure to bear on the traditional and often family-owned rural traders. In most cases, these enterprises were either taken over by larger concerns or they disappeared. For instance, Spar, O K Grocer and Friendly are now ubiquitous in the region. The nature and composition of the business structure of rural towns changed drastically.

Thirdly, increased mobility empowered the consumers and farmers to be more selective in where goods are purchased. Many people will rather travel to larger regional trading centres to make their purchases than to buy locally. Although consumers and farmers benefit individually, communities suffer in the end as businesses can no longer survive and go under. Regional centres such as George have benefited from this trend but most other regional towns have suffered.

Fourthly, increased mobility also changed the way in which government departments served the nation or financial institutions served communities. Government departments often withdrew staff from rural towns such as Riversdale and centralised them in larger regional centres. By doing so, persons with a sizable and stable income were removed from the economic pool of these towns. The decline of the railways also led to the loss of people from inland towns and exacerbated the above problems. Businesses such as banks are increasingly employing computer technology to service customers. A few instead of large cohort of staff members now serve a whole community. In the end, the circulation of money in the community is curtailed.



The end result of these dynamics is that the inland towns of Hessequa have been in a process of stagnation. Little value is added to primary agricultural produce whilst the numbers of the unemployed and associated socio-economic problems are growing.

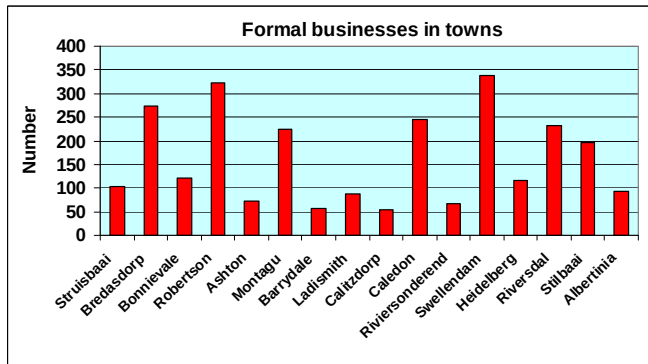
#### **6.1.7.7 Globalization and agriculture**

During the last three decades, the so-called “price-cost squeeze” (as a result of globalization) put unbearable pressure on the commodity farmers in South Africa, including those in Hessequa. The prices they were able to realise for their commodity products had on average declined by some 40% in real terms over this period. Their financial survival was largely sought in two directions, both with negative consequences for the regional economy.

Firstly, farmers improved their productivity. In most cases they mechanised their operations. Machines were introduced at the expense of workers. Secondly, many farmers sought economies of scale. Larger farmers bought out small farmers with a concomitant loss of labourers. In both cases, people made redundant in agriculture moved to the towns where employment opportunities were limited.

A recent report by the National Agricultural Marketing Board suggested that the above dynamics are not at an end. Some 14% of South Africa's work force is still involved in agriculture compared to the 2 to 3% of most developed countries. The rapid progress in computer technology that enables "smart machines", also in agriculture, is bound to exacerbate this problem in Hessequa in the future.

Farmers' fears about land rights also promote the minimisation of labour and the increased use of machines.



#### 6.1.7.8 The rise of tourism

The coastal villages of Gouritsmond, Stilbaai, Jongensfontein and Witsand have long been places where local residents had their holidays. The sandy beaches, rocks, rivers and good fishing attracted local visitors.

Better roads and increased mobility helped during the 20<sup>th</sup> century to unlock their tourism potential significantly. Over the past decade these towns had the most rapid growth rates in Hessequa and the construction industry benefited significantly from the building of holiday homes. In addition, new tourism opportunities were unlocked, particularly in adventure, agri- and ecotourism. The inland towns have in contrast only benefited to a limited extent from tourism on the N2 (the aloe factories at Albertinia being notable exceptions).



A comparison by Dr Daan Toerien (Komijn Consulting) of the business structures of sixteen towns in the Overberg, South Cape and Little Karoo showed that the number of formal businesses in Stilbaai ranks seventh overall, exceeds those of a number of old towns in the region and is becoming on par with the business structures of towns such as Montagu, Riversdale and Caledon. This illustrates the growing importance of coastal towns in the regional economy

and questions the conclusion by Professor van der Merwe and colleagues in the "Plekplan" study of Western Cape towns that Hessequa has limited growth potential.

#### 6.1.7.9 The rise of the retirement industry

The natural beauty of Hessequa, the wonderful climate, high levels of safety and security and good infrastructure have over the past decade increasingly positioned Hessequa as

a preferred retirement destination. This has provided an economic boon to the region. Large sums of money were invested in residential and property development. For instance, about 130 new houses representing an investment of some R100 million were built in Stilbaai alone in 2004. New pensioners settling in Stilbaai bring an amount of some R4 million annually into the local economy. This is the equivalent of a factory employing more than 100 people and few towns, if any, will have a new factory of such a size every year.

Although construction work is cyclical and not always desired as a sustainable means of job creation, it has over the past decade been a major source of income to large numbers of workers in Hessequa. This industry has provided, and is providing, one of the means whereby black economic empowerment (BEE) can be pursued (see later).

#### **6.1.7.10 Demand cycles**

The coastal towns have over the years suffered badly from cyclic business and demand patterns. In peak holiday seasons large numbers of visitors swamp resources and in mid-winter businesses have few clients. As coastal towns grow, business “cyclicity” diminishes and the business environment becomes more stable. The cyclicity also severely strains the ability of the Hessequa municipality to meet demand for services.

#### **6.1.7.11 Brain gain**

An unplanned benefit of the rise of the coastal towns and the retirement industry is the skills and experience gained in the form of knowledgeable people that arrive in the region. The large numbers of highly skilled and highly trained people represent a resource from which the region should benefit much more. However, many retired people do not want to be bothered; an issue that should be addressed.

#### **6.1.7.12 Apartheid legacy**

A discussion of the Hessequa economic history would not be complete without consideration of the legacies of apartheid. It was described earlier how in the 18<sup>th</sup> century the Khoi-Khoi and San were pressured out of their traditional areas in the southern Cape. Some of their descendants became labourers on white farms. Nevertheless some farms were still owned by people of colour, even during the apartheid years.

In Hessequa there are villages that house mostly coloured people, e.g. Slangrivier and Melkhoutfontein. The Group Areas Act introduced tremendous uncertainty in the lives of residents of these towns. Owners of property did not invest in further development or even upkeep of their properties because they were uncertain about the future. By the 1990s, some of these villages were extremely decrepit and poverty stricken. Most have not yet escaped from this legacy.

#### **6.1.8. Concluding remarks on local context**

A Hessequa economy skewed abnormally in many respects is the net economic legacy of the regional history and the apartheid years. Patterns of income, ownership and skills are extremely distorted in favour of the white population group, a fact that leads to resentment and distrust. Simply put, the Hessequa economy has to be restructured to overcome inherited weaknesses and historic legacies.

Long-term economic sustainability requires that measures be taken to redress the local economy but in ways that will not upset the economic applecart. To create new and

expanded opportunities, it is necessary to build on strengths, to eliminate weaknesses and to exploit new opportunities. To achieve this it is necessary to diversify and grow the Hessequa economy whilst it is restructured in line with national goals re land and business ownership, equitable incomes, BBBEE, etc.

These challenges are daunting. Best practice worldwide teaches that divided communities rarely build strong economies. Hessequa leaders throughout its political, civil, business and religious sectors will have to be involved in the building of trust and a new economy.

The analyses done during the first phases of development of a LED strategy indicated that:

- it is necessary to grow the economy to provide the means to redress historic legacies. In this process its global competitiveness has to be improved,
- the economy must simultaneously be restructured to correct the skewness introduced by historic legacies,
- attention must be paid and plans developed to deal with national goals re land and business ownership, poverty eradication, focus on the Second Economy, BEE charters, income equity, etc., and,
- the needed support structures (or infrastructure) to achieve economic goals must be put in place.

It was realised that: (i) not all issues could be addressed at once, and (ii) it is in most cases necessary to involve the causes of problems in seeking the solutions to these problems. The latter implied that the implementation plans would seek the involvement of all stakeholders in seeking the solutions. Some strategic choices had to be made in terms of what to tackle first. This report outlines these choices.

- Internal and External Changes during financial year
  - o Number of formal houses
  - o Number of informal houses
  - o Number of poor households
  - o Crime levels
  - o Governance Structure

#### 1.4 Executive Summary

**To be inserted**

## Chapter 2: Performance Highlights

### BACKGROUND INFORMATION

#### 1.1 Introduction

The IDP is the result of extensive consultation with the various role players as is demonstrated by the development priorities that each of the eight wards put forward. A situation analysis is made of where the Hessequa community is at present and where it wants to be in future. The infra-structure and services delivery, socio-economic, spatial development and economic framework are respectively outlined. The way forward is subsequently concretised firstly by a strategic long term vision and secondly, by the detail of the way in which these strategic objectives will be achieved.

The IDP is guided by the vision for Hessequa:

#### **Hessequa's vision for 2027**

**A cooperative community where everyone reaps the fruit of a growing economy through sustainable development and utilization of our human potential and our natural resources**

#### 1.2 Characteristics of the Hessequa region

The Hessequa municipal jurisdiction covers the area between the Langeberg Mountains and the Southern Cape coast between the Breede and Gouritz Rivers.

The following characteristics of the region are highlighted, in our 2<sup>nd</sup> generation IDP:

##### Political legacies

Policies of the past and specifically the apartheid system and restrictive legislation such as the Group Areas Act impacted on the community in several ways such as amongst others; (i) a region where the ownership of land and businesses is still almost exclusively in the hands of whites, (ii) income patterns that are highly skewed in the favour of whites, and (iii) an impoverished coloured community with limited skills needed in a modern world. One of the biggest challenges that confronts our Municipality is that of integration, social integration, political inclusion as well as socio-spatial integration. The fact that the Hessequa Municipality is made up of six, previous municipalities makes the challenge of integration even more difficult. Building the kind of social cohesion that our honourable President challenges us to do is definitely high on our agenda, but we are in many instances still confronted with resistance to change.

##### Demography

The total population is presently about 45 000. Hessequa's urban population is growing whilst the rural population is declining. The immigration of elderly (pre)-retired people to coastal towns and villages and younger people from the Eastern Cape add to the population. Rural depopulation is closely linked with agricultural dynamics. Young whites and coloureds leave the municipal area to seek opportunities elsewhere.

## *Education*

About 57% of children are in school (blacks about 49%, coloureds about 55% and whites about 65%). Very few children in Hessequa are involved in post-matric studies; young people have to leave the area if they want to obtain further training/education.

### *Skills Levels*

Unskilled jobs dominate in Hessequa. Clerks, shop assistants and hand workers are fewer. Poor skills levels occur mainly in the black and coloured groups. Higher schooling is largely present amongst whites but is growing in the coloured group. Many elderly residents in Hessequa have degrees but most are no longer economically active.

### *Poverty and inequality*

Significant portions of black (~80%) and coloured (~75%) and fewer white Hessequans (~ 29%) live below the poverty line. There are pockets of extreme poverty, for example in Kwanokuthula in Riversdale and Slangrivier. Each of the inland towns has a large group of poor people, a result of past discrimination and current unequal patterns of land and business ownership and a skills gap.

The established patterns of poverty and inequality are reinforced by economic trends that impact harshly on semi-skilled and unskilled workers. This includes a decline in the fishing industry, the vagaries of droughts and floods, and the seasonal nature of agricultural, tourism and domestic work. The decline of the inland towns and the rise of the coastal towns have resulted in hundreds of workers having long daily commutes from the inland to the coastal towns and back to work.

In the disadvantaged groups, women bear the brunt of poverty, a lack of social cohesion, high levels of violence, gender inequality and alcohol abuse.

### *Structure of the economy*

The local economy is a typical rural economy that cannot count on the mineral resources and manufacturing sectors to drive the local economy. To a large extent the local economy is and was one where agriculture played a major role. In recent years however a change in the economy occurred. The natural beauty of the region and its accessibility attracted more holiday makers and tourists to the coast. This stimulated the development in the coastal towns and villages and the associated good infra-structure increased their attractiveness as retirement destinations. Over the past decade, Stilbaai was the fastest growing town in Hessequa. One of the impacts of the influx was the prominence of the construction sector. The rapid growth of the coastal towns and villages also raises many conservation issues regarding natural and cultural assets and heritage which impact on its continued attractiveness as lucrative residential area.

Since economic growth and employment generation is of primary importance for the well-being of the community cognisance must be taken of the economic challenges facing the area.

These include amongst others;

- \* Declining profitability of agriculture and strategies by individual farmers to protect their profitability which amongst others led to a depopulation of the rural parts of the region as people made redundant in agriculture moved (mostly) to the inland towns to seek work. This tendency must be stopped by diversifying to new (non-traditional) products and eco- and agri-tourism activities.
- \* Utilize the new possibilities provided by amongst others tourism,  
\* \*Development of appropriate skills that are in demand.
- \* Stimulate entrepreneurial skills, explore new development initiatives such as amongst others green energy
- \* Address the resistance to change. Current challenges involve the willingness and ability to adapt to new political dispensations (e.g. the new South Africa and the integration of a number of former independent municipalities into Hessequa municipality), the forces of globalization (and the need to diversify the local economy), dealing with the NIMBY ("Not In My Backyard") phenomenon in development, and cooperation across the borders of race, geographic location and wealth.

## 2. THE SUSTAINABLE DEVELOPMENT OF HESSEQUA

The brief overview shows that modern Hessequa is far removed from where we want to be in 20 years. In order to achieve the vision, we have to start change processes immediately. This required the development of a Mission Statement and the elucidation of our Strategic IDP Objectives.

### **Hessequa's Mission**

To be a co-operative and prosperous community where:

- Future generations will be able to share equally in the bounty of our region;
- It is ensured that fundamental needs are met;
- Our environmental, archaeological and cultural heritage is guarded;
- We live in harmony with nature and each other in honour of our common ancestry in the place that gave rise to our humanity.

The mission is supported by the following six strategic objectives:

|  |
|--|
|  |
|--|

### **Hessequa's Strategic IDP Objectives**

1. Ensure good governance through institutional transformation, inter-governmental co-operation and public consultation to ensure accountability,
2. Ensure sound financial management, maximised resource mobilisation through effective and efficient utilisation of scarce resources,
3. Develop economic, human and social capital of our people, with special reference to the vulnerable groups,
4. Sustain the Hessequa environment through resource conservation, good land-use practices and people-centred planning,
5. Strategic investment in high-quality basic services and efficient 'connectivity infrastructure',
6. Create an enabling social environment that ensures safe, healthy and vibrant communities.

The above strategic objectives are pursued by identified strategic interventions as presented on pages 166 to 203 of the IDP. In this section the detail of the individual projects and plans as well as the funds allocated from the budget for its implementation are tabulated.

The underlying rationale that led to these projects and plans are discussed below as the five elements that constitute the sustainable development process of Hessequa. These five elements are economic development, social development, sustainable environmental utilisation, infrastructure and service delivery and lastly good governance.

#### **2.1. Economic development**

- Hessequa is a rural region in which agriculture has been the economic mainstay for a very long time. The future of Hessequa's agriculture is of special importance to the economic future of the region. The opportunities provided by new activities such as tourism and induced growth projects. Hessequa's economy must grow in order to achieve the goal of a community where everyone reaps economic benefits. There is a need to satisfy demand from local suppliers. Too much money flows out of the local economy to other regions.
- Too little value is added locally to primary (mostly agricultural) products.

#### **2.2. Social development**

- Poverty is widespread in Hessequa and needs to be addressed. The municipality will have to play a leading role through its activities regarding housing, spatial planning, education and health services.
- Income disparities have to be redressed without endangering the economic future of the region.
- A lack of skills and training limits Hessequa's economic future and requires the establishment of competitive low-technology enterprises.

#### **2.3. Sustainable environmental utilisation**

- The mountains, hills, shores, soils, fauna and flora of Hessequa have secured countless generations of humans. This must be continued as we seek sustainability
- Hessequa has many under-utilized natural resources; these will be developed in ecologically sustainable ways.
- Spatial development must support sustainable settlement patterns

#### 2.4. Infrastructure and service provision

- Without a good infrastructure and services, our economic, social and environmental goals will not be achievable.

#### 2.5. Good Governance

- A prosperous Hessequa requires effective and transparent governance that is accountable to the community

#### 2.6 Integrated Development Strategy

The inter-relatedness of the five sustainable development themes is demonstrated in the figure below and forms the basis of Hessequa's integrated development strategy.

Sustainable development can only occur if economic development, social development and the ecological carrying capacity are in balance. Economic development has therefore to take place within the context of community needs and ecological carrying capacity. Governance and the magnitude and quality of available infrastructure and municipal services supply the substratum in which development takes place.

### 3. HOW WILL HESSEQUA DELIVER ON SUSTAINABLE DEVELOPMENT

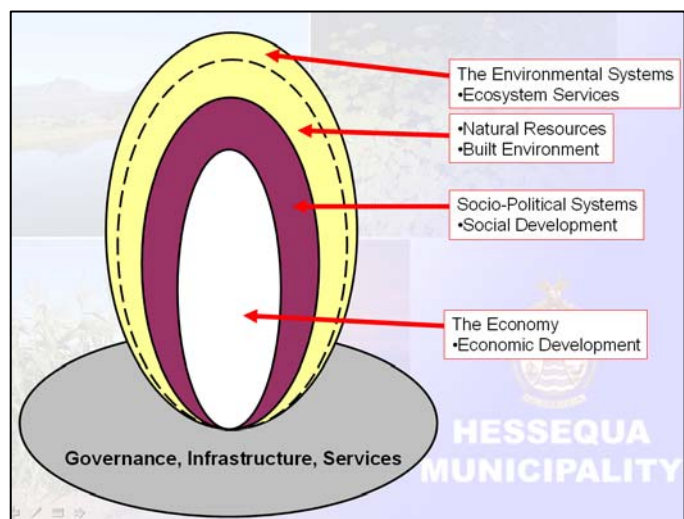
The way in which five sustainable development themes are pursued is briefly outlined below.

#### 3.1 Economic development

The structure of the local economy is described in paragraph 1.2 above. In order to move the economy and the associated institutions in the identified direction the following strategies have been identified.

##### 3.1.1 Strategic economic initiatives

- Grow / stabilize specific economic sectors:
  - Agriculture because of:
    - its enduring importance to the local economy,
    - challenge to meet land ownership target, and
    - it's BBBEE challenge.



- o Tourism because of:
    - its growing economic importance,
    - its expansion potential, and,
    - its BBBEE potential
  - o Construction because of:
    - growth over the past decade,
    - low-skilled job opportunities,
    - its BBBEE potential
  - o Retirement industry because of:
    - the need for more investment to drive the construction industry,
    - pensions increase expendable money in the community, and
    - the increase in demand for domestic workers.
- Identification and implementation of keystone projects,
  - Development of human resources,
  - Provision of a system of business support,
  - Development of poverty eradication strategies,
  - Improvement of the regulatory environment and service delivery,
  - Investigation of the potential of green and sustainable technologies, e.g. wind power, and use of partnerships to overcome limitations of being a small rural local authority.

In order to drive these strategies a number of projects/plans have been identified.

### 3.1.2 Keystone projects

The establishment of a 'Special Purpose Vehicle' to drive economic and social development in Hessequa is of paramount importance to Hessequa.

The lack of skills as well as the experiences of other local authorities led to the conclusion that a development agency (the "special purpose vehicle" or SPV) has to be created in order to initiate and drive economic, social and environmental development in Hessequa. The mission of the SPV will be to ensure that economic and social development takes full account of the current and future needs of all the local communities and the unique environment in which they live.

The SPV will:

- act as a conduit for funding,
- act as an implementation agent,
- be a builder of capacity to understand, advocate and integrate all developmental activities based on sustainability principles,

The SPV is a mechanism established to create capacity to plan, initiate, manage and monitor development projects.

It addresses a very important gap at the local level namely a lack of capacity to manage developmental initiatives. In many respects this capacity deficit is also prevalent in the more traditional functions of the municipality. It is a very difficult issue to overcome in the short run and it may be necessary to augment capacity by getting outside consultants.

This approach does have its limitations because it is not a sustainable strategy in that it does not cultivate internal capacity.

Whether the SPV can play a role to assist in managing the capacity creating strategies that will be necessary to execute the proposed plans/projects of the IDP must be investigated.

In addition, the development of an Archaeological Interpretation Centre in Riversdale and Coastal Megapark are seen as additional keystone activities.

The 2007/2008 budget allocated R650 000 to the establishment of the SPV, and R200 000 for the next planning phase of the Archaeological Interpretation Centre, and R100 000 for the Coastal Megapark.

#### 3.1.3 Focus on agriculture

A number of initiatives to support and extend the agricultural/rural sector have been identified. In the Programme of strategic interventions the following initiatives have been listed and budgeted for. These include: Reinstitution of an Agricultural Advisory Council, strategic plans for land ownership, development, a BBBEE charter for land ownership and a rural development initiative

A total of R425 000 is provided for this initiative in the budget.

#### 3.1.4 Focus on tourism

Tourism in Hessequa has grown organically in a haphazard way. Nevertheless tourism is a major factor in the rapid growth of all of the coastal towns. The building of holiday and retirement homes in the coastal towns has been a major stimulant to the construction industry.

Projects provided for include SMME and PDI development, reorganisation of tourism information and offices, branding of Hessequa tourism and special tourism projects.

As an indication of the importance of this initiative a total of R1 518 000 is provided in the budget for developing this sector.

#### 3.1.5 Focus on the construction and retirement industries

The coastal towns are growing rapidly and provide the major stimulus for the construction industry. The construction industry is the recipient of the major development investments in Hessequa. This industry must be protected and grown to ensure that the relatively low-skilled people in Hessequa have livelihoods and fulfilling lives. Most of the increase in permanent residents of the coastal towns was linked to retirement, as elderly people settle in these towns.

The link between the tourist industry, the retirement industry and construction is obvious. These industries are taking up the slack created by the pressures on agriculture.

Projects budgeted for include the development of strategic plans for each town and village in the region as well as strategic plans for the construction and retirement sectors and gender and skills development amongst others. An amount of R220 000 is budgeted for these initiatives

#### 3.1.6 Special projects

It has become clear that leadership and entrepreneurship need to be strengthened at many levels in Hessequa. To reach our goal of living in harmony with the environment, it is necessary to investigate its economic and other potentials. Due to the low general skills levels in Hessequa, it is also necessary to improve our capacity to develop sustainable low-technology businesses. For these reasons some special projects are needed:

- Leadership development
- Entrepreneurship development and business training
- Value addition through low-tech business development
- Investigation of the potential of green technologies.

A total amount of R700 000 is provided in the budget for these initiatives.

### 3.2 Social development

For the implementation of the Hessequa social development Programme the IDP sets the stage to:

- create opportunities to ensure that the youth of Hessequa realises their full potential
- ensure that quality service is provided to the poor, vulnerable people affected, amongst others by HIV & AIDS and TB
- create an effective developmental partnership between government and civil society to limit and reverse the spread of HIV&AIDS and TB

#### 3.2.1 Focus on the youth

Projects that targets the youth include: life skills projects, a Hessequa youth council, awareness campaigns, education and training Programmes, bursaries and other youth developmental projects.

A total of R112 000 is budgeted for this initiative but other sources of funds must also be developed.

#### 3.2.2 Focus HIV&AIDS containment

Programmes to educate and sensitise people regarding the epidemic - and training people to provide home based volunteer Programmes have been identified.

A total of R30 000 is budgeted for but additional funding will have to be found elsewhere.

### 3.2.3 Vulnerable groups

A number of projects have been identified such as:

Hessqua ABET project

Home based care

Soeterus Old Age Home

A total of R350 000 is provided for these projects in the budget

## 3.3 Sustainable environmental utilisation

The sustainable use of the environment is divided up in two components namely:

- Spatial development as manifested in settlement patterns of the region's inhabitants
- Sustainable use of the natural environment

### 3.3.1 Spatial development

- The towns and villages in Hessequa are characterised by development that is spatially fragmented mostly associated with previous apartheid policies.
- Rapid and unmanaged urbanisation. Over the last number of years rapid growth in the lower socio-economic settlements occurred within built-up areas and on the fringes of settlements such as; Kwanokathula, Bitouville, Theronville, Melkhoutfontein and Joe Slovo Park.
- Low density settlements and urban sprawl. The low density patterns of lower socio-economic settlements result in high cost of service provision
- Unco-ordinated spatial development. Decisions on spatial developments are often taken by a range of different authorities and full cognisance of its combined effect gives rise to unfavourable environmental and serviceability impacts.
- Depletion of valuable natural resources and agricultural land. The consequence of abovementioned spatial development has an impact on the sustainable use of the natural environment

## Strategies

In order to address these challenges the IDP identified five spatial developmental strategies. They are:

- Consolidate and integrate spatial development by developing land in proximity of public transport facilities and existing services.
- Support the land reform and settlement Programme by identifying zones of opportunity according to land needs
- Pro-actively manage land use and set appropriate levels of service to achieve sustainability in urban, peri-urban and rural areas.
- Implement the principles of Integrated Environmental Management
- Identify resources and manage land use in valuable resource areas.

## **Projects/plans**

These strategies are supported by specific projects such as:

- Vacant land audit
- Densification study
- Mixed land use study
- Development of economical erven for GAP housing
- Development of industrial erven
- Various aesthetic projects such as the revitalisation of the Riverdale CBD

The budget provides for an amount of R980 000 towards the funding of these projects

### **3.3.2 Sustainable natural environmental development**

The natural beauty of the region is one of its major attractions for tourism and also for new inhabitants. As such it is a major source of development. As such it is also a fragile resource that must be optimally utilized to protect its sustainable use. The relation between protection of the environment and the development and growth of the region implies a delicate balance.

The region contains unique fynbos vegetation. These fynbos species are threatened by urban and agricultural expansion. The protection of the Renosterveld and the various fynbos vegetation types are essential.

The protection of the aquatic resources is also necessary. The sustainable utilisation of the Duiwenhoks, Goukou, Gourits Rivers should be receive attention

## **Strategies**

Strategies to achieve sustainable natural resource utilisation:

- Identify and empower individuals and institutions by finding and developing ways to engage stakeholders in conservation planning initiatives
- Define the planning region. In order to undertake conservation it is fundamental to define the region to which it entails.
- Identify and assess the gap in knowledge pertaining to nature conservation and identify research gaps
- Identify and assess land use. Many activities that degrade and destroy the environment must be identified in order to enhance the sustainable use of the resources
- Promote sustainable use by nature based tourism
- Develop a model for land management that conserves the environment and is acceptable to all stakeholders

Develop an implementation strategy embedded with a monitoring and evaluation component to ensure the effectiveness of conservation initiatives-

Information gathering and research must have an overarching purpose namely to quantify the capacity of the environment in terms of further development .

Clear guidelines must be established for the respective biomes that must be protected at all cost. Guidelines must also be established and quantified to specify how the use of other natural resources must be pro-actively managed in order to maintain a balance between development and conservation.

### ***Projects/plans***

Projects identified to support the strategic objectives are:

- Maintaining municipal nature reserves
- Eco-schools / globe / world congress initiatives
- Managing the rivers
- Promote animal protection societies
- Environmental capacity building and employment creation projects
- General projects such as Slangrivier Greening project, waste recycling project (phase 1), brak natuurtuin etc.

A total of R1040 00 is budgeted for these environmental initiatives.

### ***3.4 Infrastructure and service delivery***

Local governments confronted with the challenge to provide basic services to its communities despite limited funding sources, skills and infrastructure.

To ensure that Hessequa can cope with its future demand for infrastructure and service provision an integrated infrastructure development plan is needed. The IDP contains the detail on pp74 to 94 of such a plan to provide water, sanitation, transport, storm water, electricity, environmental management, waste management and disaster management amongst others.

#### **3.4.1 Strategic focus**

In order to ensure that infrastructure plans are not wish lists, public meetings were arranged in Hessequa in order to agree on attainable objectives.

The infrastructure planning was guided by three principles namely to;

- eliminate the backlogs of the past
- Maintaining existing infrastructure
- Plan and design new infrastructure timeously in order to satisfy future demand in a cost effective way

**The strategic focus entailed amongst others the following services:**

Water  
Sewerage  
Roads and transport  
Storm water  
Electricity  
Solid waste  
Housing

Housing as one of the the areas of service provision that needs special attention because of the urgent need. The strategies need to be aligned with national and provincial policy documents. Housing plans will be reflected in the spatial development framework for Hessequa which supports the the integrated development of previously disadvantaged communities. This framework is aligned with the Hessequa local economic development plan.

The strategies for housing projects of the municipality focus on the destitute and the homeless residents. Alternative housing types for all groups also receive attention. The GAP housing market that caters for the middle income groups are explored. Mixed housing and land use patterns in order to facilitate integration in line with the Spatial Development framework and national and provincial policies are also explored.

Housing (sustainable human settlements) is awarded a provincial allocation of R7 101 000 in 2007/2008b for the provision of 420 and 60 settlements for Albertinia and Gouritsmond respectively. Plans for 2008/2009 and further are in the pipeline.

The provision of energy to local government users is a very important service where local authorities mainly act as a conduit for the national provider. It is one of the long term objectives of Hessequa to become less dependent on external sources of energy.

Alternative sustainable renewable energy sources are investigated as a way to decrease this dependence and also at the same time create employment opportunities that can result from renewable energy projects. As part of the economic development plans, outlined above, the viability of solar, wind and solid waste energy plants are assessed.

### **Projects/plans**

Infrastructure and service provision from the bulk of the activities of the Hessequa municipality and the operational plan is encompassed in the annual budget. Where the strategic focus as outlined above are prioritised and funded.

As such the provision of infrastructure and services are also outlined in detail in the IDP where the various focus areas are outlined in detail in the description of the plans to achieve strategic objective number 5, namely strategic investment in quality basic services and efficient connectivity infrastructure.

### **3.5 Good governance**

Good governance is the cornerstone of the wellbeing of the community. Representatives are elected by the community and must adhere, amongst others, to the following principles:

- Be accountable to their constituencies
- Ensure that the wishes of the community are communicated
- Ensure that the agreed upon priorities are executed
- Must communicate with the constituencies
- Create the channels of communication

- As governing body the Council must oversee that services are provided in a cost effective way by insisting on an appropriate performance evaluation system
- Monitor the execution of operational and capital plans
- Monitor capacity to execute projects and insist on a capacity building strategy
- Ensure that policies are in place to ensure ethical behaviour of municipal officials and councillors
- Ensure policies to prevent corruption

The IDP cannot contain all the measures to ensure good governance. It is however prudent to indicate that the IDP documents in detail the consultation processes followed in the different wards to obtain their priorities in terms of development projects as well as required infrastructure.

The ward committee system is fully operational as a link between the Council and its constituents

The elements to monitor good governance are in place and a willingness to go beyond the statutory requirements are demonstrated by the recent adoption of an anti-corruption strategy for Hessequa. This is the first of such nationally supported strategies to be implemented in South Africa

In the IDP specific projects to address good governance are listed and funded. Projects to provide access to PC's, train and empower staff, ensure a stable network, projects to ensure efficient communication, support services and capacity building and training are among those indicated.

These projects form part of the operational and capital budgets.

### *Conclusion*

The IDP is the culmination of a number of initiatives to support the movement towards the achievement of the vision for Hessequa. With the aid of a consultative process in the eight wards of the municipality the need for infrastructures and services were determined.

Although infrastructure and services forms the bulk of municipal expenditure the broader responsibility of Hessequa must also be recognised. As such measures must be put in place to develop the local economy, provide for social development, and ensure the sound utilisation of the environment

The IDP indicated how the various policy objectives will be pursued. It does not however contain the detail of the implementation plans and how its execution will be monitored. Implementation (execution) and monitoring are therefore needed to meet the IDP objectives.

### Chapter 3: Human Resource and other Organisational Management

Photos to be inserted

The **Council** of the Hessequa Municipality Consists of:

The Speaker Councillor AK Daries (ANC)

Our Executive Mayor Councillor CP Taute (ANC)

Deputy Executive Mayor Councillor L Scott (ANC)

The Members of the Executive Mayoral Council:

Councillor NR Stride (ANC) and Councillor F Hartnick (ANC)

And other members of the council:

Councillor K Swanepoel (Independent)

Councillor H Bouwer (DA)

Councillor S Uys (DA)

Councillor E Nel (DA)

Councillor M Streicher (DA)

Councillor L Manho (ANC)

Councillor A Hartnick (ANC)

Councillor L Pieterse (ANC)

Councillor L February (ANC)

Councillor N Esau (ANC)

We thus have 10 ANC members, 4 DA and 1 Independent Councillor

**Executive Mayoral Committee Member Councillor NR Stride is Chairman of the:**

- Planning and Environmental Management Committee  
(Sub Chaired by Councillor L Manho)
- Economic, Social Development and Housing Committee  
(Sub Chaired by Councillor N Esau)

**Executive Mayoral Committee Member Councillor L Scott is Chairman of the:**

- Finance Committee
- (Sub Chaired by Councillor K Swanepoel)
- Administration, Human Resources, Information Communication Technology and Traffic Safety Committee
- (Sub Chaired by Councillor AK Daries)

**Executive Mayoral Committee Member Councillor F Hartnick is Chairman of the:**

- Streets, Stormwater, Resorts and Parks Committee
- (Sub Chaired by Councillor A Hartnick)
- Water, Sewerage, Sanitation and Electrical Committee
- (Sub Chaired by Councillor L Pieterse)

Photos to be inserted

The **Management** of the Hessequa Municipality Consists of:

Municipal Manager: Mr J Jacobs

Deputy Municipal Manager: Mr CV Schroeder

Administrative Services Manager: Mr IC Adams

Water, Sewerage and Sanitation Manager: Mr E Steyn

Planning and Environmental Affairs Manager: Mr H Visser

Socio-Economic Development and Housing Manager: Mr C Onrust

Information Communication and Technology Manager: Mr B Ellman

Legal Services Manager: Ms M Vermeulen

Acting Chief Financial Officer: Ms L Viljoen

Acting Traffic Safety Manager: Mr P Stroebe

|                                          |     |
|------------------------------------------|-----|
| Full Time Employees (Including Managers) | 418 |
| Part Time Employees (Including Managers) | 15  |
| Vacant Posts                             | 54  |
| Total Number of Employees                | 487 |

## Chapter 4: Audited Statements and Related Financial Information

| <b>INDEX</b>                                                                            | <b>PAGE</b>    |
|-----------------------------------------------------------------------------------------|----------------|
|                                                                                         |                |
| Statement of Financial Position                                                         | <b>1</b>       |
|                                                                                         |                |
| Statement of Financial Performance                                                      | <b>2</b>       |
|                                                                                         |                |
| Statement of Changes in Net Assets                                                      | <b>3</b>       |
|                                                                                         |                |
| Cash Flow Statement                                                                     | <b>4</b>       |
|                                                                                         |                |
| Accounting Policies                                                                     | <b>5 - 13</b>  |
|                                                                                         |                |
| Notes to the Annual Financial Statements                                                | <b>14 - 26</b> |
|                                                                                         |                |
| Appendix A:      Schedule of External Loans                                             | <b>27 - 28</b> |
|                                                                                         |                |
| Appendix B:      Analysis of Property, Plant and Equipment                              | <b>29 - 31</b> |
|                                                                                         |                |
| Appendix C:      Segmental Analysis of Property, Plant and Equipment                    | <b>32</b>      |
|                                                                                         |                |
| Appendix D:      Segmental Income Statement                                             | <b>33</b>      |
|                                                                                         |                |
| Appendix E (1):   Actual versus Budget (Revenue and Expenditure)                        | <b>34 - 35</b> |
|                                                                                         |                |
| Appendix E (2):   Actual versus Budget (Acquisition of Property, Plant and Equipment)   | <b>36 - 39</b> |
|                                                                                         |                |
| Appendix F:      Disclosure of Grants and Subsidies in terms of section 123 of the MFMA | <b>40 - 41</b> |
|                                                                                         |                |

|              |                                    |           |
|--------------|------------------------------------|-----------|
| Trust Funds: | Statement of Financial Position    | <b>42</b> |
|              |                                    |           |
|              | Statement of Financial Performance | <b>43</b> |
|              |                                    |           |
|              | Accounting Policies                | <b>44</b> |

| HESSEQUA MUNICIPALITY                           |  |      |                    |  |                    |  |
|-------------------------------------------------|--|------|--------------------|--|--------------------|--|
| STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007 |  |      |                    |  |                    |  |
| Net Assets and Liabilities                      |  | Note | 2007               |  | 2006               |  |
|                                                 |  |      | R                  |  | R                  |  |
| <b>Net assets</b>                               |  |      | <b>99,563,703</b>  |  | <b>77,487,877</b>  |  |
| Housing Reserve                                 |  | 1    | 2,179,132          |  | 4,532,599          |  |
| Capital Replacement Reserve                     |  | 2    | 21,097,540         |  | 10,519,977         |  |
| Insurance Reserve                               |  | 3    | 8,075,494          |  | 5,299,031          |  |
| Capitalisation Reserve                          |  |      | 10,548,558         |  | 11,505,747         |  |
| Government Grant Reserve                        |  |      | 18,866,099         |  | 15,881,731         |  |
| Accumulated Surplus/(Deficit)                   |  |      | 38,796,881         |  | 29,748,792         |  |
| <b>Non-current liabilities</b>                  |  |      | <b>32,843,152</b>  |  | <b>25,923,187</b>  |  |
| Long-term liabilities                           |  | 4    | 31,628,280         |  | 24,721,854         |  |
| Trust Funds                                     |  | 40   | 1,214,871          |  | 1,201,333          |  |
| <b>Current Liabilities</b>                      |  |      | <b>60,939,515</b>  |  | <b>25,945,958</b>  |  |
| Consumer deposits                               |  | 5    | 2,779,815          |  | 2,504,855          |  |
| Provisions                                      |  | 6    | 4,510,055          |  | 3,899,456          |  |
| Creditors                                       |  | 7    | 12,986,025         |  | 6,565,298          |  |
| Unspent conditional grants and receipts         |  | 8    | 32,123,026         |  | 10,278,999         |  |
| VAT                                             |  | 9    | 0                  |  | 241,191            |  |
| Bank Balance                                    |  | 16   | 5,225,815          |  | 0                  |  |
| Current portion of long-term liabilities        |  | 4    | 3,314,778          |  | 2,456,159          |  |
| <b>Total Net Assets and Liabilities</b>         |  |      | <b>193,346,370</b> |  | <b>129,357,022</b> |  |
| <b>Assets</b>                                   |  |      |                    |  |                    |  |
| <b>Non-current assets</b>                       |  |      | <b>86,941,542</b>  |  | <b>71,780,015</b>  |  |
| Property, plant and equipment                   |  | 10   | 86,781,296         |  | 71,384,052         |  |
| Long-term receivables                           |  | 12   | 160,246            |  | 395,963            |  |
| <b>Current assets</b>                           |  |      | <b>106,404,828</b> |  | <b>57,577,007</b>  |  |
| Inventory                                       |  | 13   | 1,096,506          |  | 786,030            |  |

|                                      |  |  |  |    |  |                    |  |  |                    |
|--------------------------------------|--|--|--|----|--|--------------------|--|--|--------------------|
| Consumer debtors                     |  |  |  | 14 |  | 9,505,372          |  |  | 8,984,071          |
| VAT                                  |  |  |  | 9  |  | 1,698,069          |  |  | 0                  |
| Other debtors                        |  |  |  | 15 |  | 331,556            |  |  | 1,241,038          |
| Call Investment Deposits             |  |  |  | 11 |  | 93,556,792         |  |  | 41,505,153         |
| Current portion of long-term debtors |  |  |  | 12 |  | 212,343            |  |  | 1,568,778          |
| Bank balances and cash               |  |  |  | 16 |  | 4,190              |  |  | 3,491,937          |
|                                      |  |  |  |    |  |                    |  |  |                    |
| <b>Total Assets</b>                  |  |  |  |    |  | <b>193,346,370</b> |  |  | <b>129,357,022</b> |

## HESSEQUA MUNICIPALITY

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

| Revenue                                            | Note | Actual |                    |  |  |                    |  |
|----------------------------------------------------|------|--------|--------------------|--|--|--------------------|--|
|                                                    |      |        | 2007               |  |  | 2006               |  |
|                                                    |      |        | R                  |  |  | R                  |  |
| Property Rates                                     | 17   |        | 26,193,156         |  |  | 23,142,649         |  |
| Service Charges                                    | 18   |        | 63,133,914         |  |  | 53,666,221         |  |
| Rental of facilities and equipment                 |      |        | 2,619,963          |  |  | 5,361,375          |  |
| Interest earned - external investments             |      |        | 5,008,395          |  |  | 2,391,312          |  |
| Interest earned - outstanding debtors              |      |        | 2,138,262          |  |  | 2,137,074          |  |
| Fines                                              |      |        | 995,038            |  |  | 1,351,279          |  |
| Licences and permits                               |      |        | 144,784            |  |  | 254,721            |  |
| Income for agency services                         |      |        | 1,099,042          |  |  | 1,282,313          |  |
| Government grants and subsidies                    | 19   |        | 33,611,793         |  |  | 32,261,990         |  |
| Other income                                       | 28   |        | 5,503,355          |  |  | 3,748,862          |  |
| Gains on disposal of property, plant and equipment |      |        | 3,577,603          |  |  | 14,302,297         |  |
| <b>Total Revenue</b>                               |      |        | <b>144,025,305</b> |  |  | <b>139,900,093</b> |  |
|                                                    |      |        |                    |  |  |                    |  |

| <b>Expenditure</b>                                    |    |  |                    |  |  |                    |
|-------------------------------------------------------|----|--|--------------------|--|--|--------------------|
| Employee related costs                                | 20 |  | 40,719,141         |  |  | 37,979,565         |
| Remuneration of Councillors                           | 21 |  | 3,176,073          |  |  | 2,260,166          |
| Bad debts                                             | 26 |  | 1,479,797          |  |  | 6,273,443          |
| Collection costs                                      |    |  | 396,395            |  |  | 412,877            |
| Depreciation                                          |    |  | 5,281,413          |  |  | 4,360,074          |
| Repairs and maintenance                               |    |  | 11,371,238         |  |  | 5,763,464          |
| Interest paid                                         | 22 |  | 3,064,695          |  |  | 3,120,290          |
| Bulk purchases                                        | 23 |  | 19,131,390         |  |  | 18,566,610         |
| Contracted services                                   |    |  | 348,958            |  |  | 262,334            |
| General expenses                                      | 27 |  | 36,637,642         |  |  | 35,285,724         |
| <b>Total Expenditure</b>                              |    |  | <b>121,606,744</b> |  |  | <b>114,284,547</b> |
|                                                       |    |  |                    |  |  |                    |
| <b>Surplus/(Deficit) For The Year</b>                 |    |  | <b>22,418,561</b>  |  |  | <b>25,615,546</b>  |
|                                                       |    |  |                    |  |  |                    |
| Refer to Appendix E (1 ) for explanation of variances |    |  |                    |  |  |                    |

## HESSEQUA MUNICIPALITY

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

|                                         | Not<br>e | Insuranc<br>e<br>Reserve<br>R | Housing<br>Reserve<br>R | Capital<br>Replaceme<br>nt<br>Reserve<br>R | Capitalisati<br>on<br>Reserve<br>R | Governme<br>nt<br>Grant<br>Reserve<br>R | Accumulat<br>ed<br>Surplus/<br>(Deficit)<br>R | Total<br>R        |
|-----------------------------------------|----------|-------------------------------|-------------------------|--------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------------|-------------------|
| <b>Balance at 1 July 2006</b>           |          | <b>0</b>                      | <b>6,182,186</b>        | <b>6,695,922</b>                           | <b>12,660,816</b>                  | <b>13,870,973</b>                       | <b>14,149,317</b>                             | <b>53,559,214</b> |
| <b>2006</b>                             |          |                               |                         |                                            |                                    |                                         |                                               |                   |
| Surplus/(deficit) for the year          |          | 0                             | 0                       | 0                                          | 0                                  | 0                                       | 25,615,546                                    | 25,615,546        |
| Transfer to CRR                         |          | 0                             | 0                       | 15,933,554                                 | 0                                  | 0                                       | -15,933,554                                   | 0                 |
| Property, plant and equipment purchased |          | 0                             | 0                       | -12,109,499                                | 0                                  | 0                                       | 12,109,499                                    | 0                 |
| Transfer to Insurance Fund              |          | 7,997,390                     | 0                       | 0                                          | 0                                  | 0                                       | -7,997,390                                    | 0                 |
| Property, plant and equipment purchased |          | -<br>2,698,359                | 0                       | 0                                          | 0                                  | 0                                       | 2,698,359                                     | 0                 |
| Capital grants used to purchase PPE     |          | 0                             | 0                       | 0                                          | 0                                  | 2,904,321                               | -2,904,321                                    | 0                 |
| Disposal of Assets                      |          | 0                             | 0                       | 0                                          | -135,340                           | 0                                       | 135,340                                       | 0                 |
| Long Term Housing Loans - Written Off   |          | 0                             | -<br>1,686,883          | 0                                          | 0                                  | 0                                       | 0                                             | -<br>1,686,883    |
| Transfer to Housing Reserve             |          | 0                             | 37,296                  | 0                                          | 0                                  | 0                                       | -37,296                                       | 0                 |

|                                                 |    |                  |                  |                   |                   |                   |                   |                   |
|-------------------------------------------------|----|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Offsetting of depreciation                      |    | 0                | 0                | 0                 | -1,019,729        | -893,563          | 1,913,292         | 0                 |
| Restatement of prior year figures - Investments |    |                  |                  |                   |                   |                   |                   | 0                 |
| <b>Balance at 30 June 2006</b>                  |    | <b>5,299,031</b> | <b>4,532,599</b> | <b>10,519,977</b> | <b>11,505,747</b> | <b>15,881,731</b> | <b>29,748,792</b> | <b>77,487,877</b> |
| Corrections prior years                         | 39 |                  |                  |                   |                   |                   | 1,993,598         | 1,993,598         |
| <b>Restated balance 30/6/2006</b>               |    | <b>5,299,031</b> | <b>4,532,599</b> | <b>10,519,977</b> | <b>11,505,747</b> | <b>15,881,731</b> | <b>31,742,390</b> | <b>79,481,475</b> |
| Surplus/(deficit) for the year                  |    | 0                | 0                | 0                 | 0                 | 0                 | 22,418,561        | 22,418,561        |
| Transfer to CRR                                 |    | 0                | 0                | 16,206,556        | 0                 | 0                 | -16,206,556       | 0                 |
| Property, plant and equipment purchased         |    | 0                | 0                | -5,628,992        | 0                 | 0                 | 5,628,992         | 0                 |
| Transfer to Insurance Fund                      |    | 3,910,340        | 0                | 0                 | 0                 | 0                 | -3,910,340        | 0                 |
| Property, plant and equipment purchased         |    | -1,082,890       | 0                | 0                 | 0                 | 0                 | 1,082,890         | 0                 |
| Transfer to/(from) Insurance Reserve            |    | -50,988          | 0                | 0                 | 0                 | 0                 | 50,988            | 0                 |
| Capital grants used to purchase PPE             |    | 0                | 0                | 0                 | 0                 | 3,946,775         | -3,946,775        | 0                 |
| Interest Investments - Transferred              |    | 0                | 0                | 0                 | 0                 | 0                 | 0                 | 0                 |
| Long Term Housing Loans - Written Off           |    | 0                | -1,888,196       | 0                 | 0                 | 0                 | 0                 | -1,888,196        |
| Transfer Provision Bad Debts                    |    |                  | -434,599         | 0                 | 0                 | 0                 | 0                 | -434,599          |
| Transfer to/(from) Housing Reserve              |    |                  | -30,672          | 0                 | 0                 | 0                 | 30,672            | 0                 |
| Transfer to Trustfunds                          |    |                  |                  |                   |                   |                   | -13,537           | -13,537           |
| Offsetting of depreciation                      |    | 0                | 0                | 0                 | -957,189          | -962,407          | 1,919,596         | 0                 |

|                         |  |           |           |            |            |            |            |            |
|-------------------------|--|-----------|-----------|------------|------------|------------|------------|------------|
| Balance at 30 June 2007 |  | 8,075,494 | 2,179,132 | 21,097,540 | 10,548,558 | 18,866,099 | 38,796,881 | 99,563,704 |
|-------------------------|--|-----------|-----------|------------|------------|------------|------------|------------|

## HESSEQUA MUNICIPALITY

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

| Cash Flow from Operating Activities                 | Note | 2007<br>R         | 2006<br>R         |
|-----------------------------------------------------|------|-------------------|-------------------|
| <b>Cash generated from/(utilised in) operations</b> | 30   | <b>23,917,060</b> | <b>-1,025,005</b> |
| Interest received                                   |      | 7,146,657         | 4,528,386         |
| Interest paid                                       | 22   | -3,064,696        | -3,120,289        |
| <b>Net Cash from Operating Activities</b>           |      | <b>27,999,021</b> | <b>383,092</b>    |
| <b>Cash flows from Investing Activities</b>         |      |                   |                   |
| Purchase of property, plant and equipment           |      | -20,678,657       | -18,213,919       |
| Sale of property, plant and equipment               |      | 3,577,603         | 14,515,945        |
| Capital Replacement Reserve                         |      | 16,206,556        | 15,933,554        |
| Insurance Reserve                                   |      | 3,859,353         | 7,997,390         |
| Housing Reserve                                     |      | -30,672           | 37,296            |
| Government Grant Reserve                            |      | 3,946,775         | 2,904,321         |
| (Increase)/decrease in non-current receivables      |      | 404,554           | 955,256           |
| <b>Net Cash flows from Investing Activities</b>     |      | <b>7,285,512</b>  | <b>24,129,843</b> |

|                                                               |           |  |                   |  |                   |
|---------------------------------------------------------------|-----------|--|-------------------|--|-------------------|
| <b>Cash flows from Financing Activities</b>                   |           |  |                   |  |                   |
| New loans raised/(repaid)                                     |           |  | 7,765,045         |  | -1,886,162        |
| Increase in consumer deposits                                 |           |  | 274,960           |  | 254,837           |
| Decrease in Trust Funds                                       |           |  | 13,538            |  | 49,674            |
| <b>Net Cash from Financing Activities</b>                     |           |  | <b>8,053,543</b>  |  | <b>-1,581,651</b> |
|                                                               |           |  |                   |  |                   |
| <b>Net Increase in Cash and Cash Equivalents</b>              |           |  | <b>43,338,077</b> |  | <b>22,931,284</b> |
|                                                               |           |  |                   |  |                   |
| <b>Cash and cash equivalents at the beginning of the year</b> |           |  | <b>44,997,090</b> |  | <b>22,065,806</b> |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>29</b> |  | <b>88,335,167</b> |  | <b>44,997,090</b> |
|                                                               |           |  |                   |  |                   |

| HESSEQUA MUNICIPALITY                                             |  |  |                  |                  |      |
|-------------------------------------------------------------------|--|--|------------------|------------------|------|
| NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 |  |  |                  | 2007             | 2006 |
|                                                                   |  |  | R                | R                |      |
| <b>1. Housing Reserve</b>                                         |  |  |                  |                  |      |
| Balance 1 July 2006                                               |  |  | 4,532,591        | 6,182,186        |      |
| Rental Income                                                     |  |  | 32,526           | 79,654           |      |
| Sale of houses                                                    |  |  | 0                | 0                |      |
| Sale of plots                                                     |  |  | 40,991           | 64,872           |      |
|                                                                   |  |  | 4,606,107        | 6,326,712        |      |
|                                                                   |  |  | -                | -                |      |
| Less: Written Off                                                 |  |  | 1,888,196        | 1,687,892        |      |
|                                                                   |  |  | -                | -                |      |
| Less: Expenses                                                    |  |  | 538,788          | 106,229          |      |
| <b>Total</b>                                                      |  |  | <b>2,179,124</b> | <b>4,532,591</b> |      |
| The Housing Reserve is represented by the following:              |  |  |                  |                  |      |
| Housing selling scheme loans                                      |  |  | 0                | 1,245,4          |      |

|                                                             |                                     |  |            |            |
|-------------------------------------------------------------|-------------------------------------|--|------------|------------|
|                                                             |                                     |  | 90         |            |
| Housing rental debtors                                      | (included in other/rentals note 14) |  | 1,793,139  | 2,837,917  |
| Investment                                                  | (included investments note 11)      |  | 385,985    | 449,183    |
| <b>Total Housing Reserve Assets</b>                         |                                     |  | 2,179,124  | 4,532,590  |
|                                                             |                                     |  |            |            |
| <b>2. Capital Replacement Reserve</b>                       |                                     |  |            |            |
| Balance 1 July 2006                                         |                                     |  | 10,519,977 | 6,695,922  |
| <b>Plus:</b>                                                | Capital Contributions               |  | 1,289,368  | 971,896    |
|                                                             | Contribution I & E                  |  | 11,336,300 | 1,555,740  |
|                                                             | Sale of Land                        |  | 3,536,612  | 13,103,502 |
|                                                             | Other Income                        |  | 44,276     | 302,416    |
|                                                             |                                     |  | 26,726,533 | 22,629,476 |
| <b>Less:</b> Used to purchase Property, Plant and Equipment |                                     |  | 5,628,992  | 12,109,499 |
| <b>Total Capital Replacement Assets</b>                     |                                     |  | 21,097,540 | 10,519,977 |
|                                                             |                                     |  |            |            |

|                                                                                                   |                     |         |                  |                  |
|---------------------------------------------------------------------------------------------------|---------------------|---------|------------------|------------------|
| The Capital Replacement Reserve is fully funded and invested in ring-fenced financial instruments |                     |         |                  |                  |
|                                                                                                   |                     |         |                  |                  |
| <b>3. Insurance Reserve</b>                                                                       |                     |         |                  |                  |
| Balance 1 July 2006                                                                               |                     |         | 4,192,966        | 0                |
| Balance 1 July 2006                                                                               |                     |         | 1,106,065        | 0                |
| Western Cape Local Government                                                                     |                     |         | 2,113,069        | 6,951,747        |
| Insurance Claims                                                                                  |                     |         | 1,597,271        | 854,694          |
| <b>Disaster Relief Fund</b>                                                                       |                     |         | 149,012          | 1,106,065        |
| Contributions:                                                                                    |                     |         |                  |                  |
|                                                                                                   | Sale of Lappiesbaai |         |                  | 905,000          |
|                                                                                                   | ex I & E            | 200,000 | 200,000          |                  |
|                                                                                                   | Other Income        | 0       | 9,400            |                  |
| Less: Expenses                                                                                    |                     |         |                  |                  |
|                                                                                                   |                     |         |                  | -                |
|                                                                                                   |                     |         |                  | 8,335            |
|                                                                                                   |                     |         | <b>9,158,384</b> | <b>8,912,506</b> |
|                                                                                                   |                     |         | -                | -                |
| <b>Less:</b> Used to purchase Property, Plant and Equipment                                       |                     |         | 1,082,890        | 2,698,359        |
| <b>Less:</b> Transfer to I & E                                                                    |                     |         | 0                | -                |

|                                                                                                                                                                                 |  |  |                   |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|-------------------|-------------------|
|                                                                                                                                                                                 |  |  | 915,116           |                   |
| <b>Total Insurance Reserve Assets</b>                                                                                                                                           |  |  | <b>6,820,417</b>  | <b>4,192,966</b>  |
| <b>Total Disaster Relief Fund Assets</b>                                                                                                                                        |  |  | <b>1,255,077</b>  | <b>1,106,065</b>  |
|                                                                                                                                                                                 |  |  |                   |                   |
| The Insurance Reserve is fully funded and invested in ring-fenced financial instruments                                                                                         |  |  |                   |                   |
|                                                                                                                                                                                 |  |  |                   |                   |
| <b>4. Long-term Liabilities</b>                                                                                                                                                 |  |  |                   |                   |
| Annuity Loans                                                                                                                                                                   |  |  | 34,943,058        | 27,178,013        |
| <b>Less:</b> Current portion transferred to current liabilities                                                                                                                 |  |  | 3,314,778         | 2,456,159         |
| <b>Total long-term liabilities - Refer to Appendix A for more detail</b>                                                                                                        |  |  | <b>31,628,280</b> | <b>24,721,854</b> |
|                                                                                                                                                                                 |  |  |                   |                   |
| Long-term liabilities have been utilized in accordance with the MFMA. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date. |  |  |                   |                   |
|                                                                                                                                                                                 |  |  |                   |                   |
| <b>5. Consumer Deposits</b>                                                                                                                                                     |  |  |                   |                   |
| <b>Electricity and Water</b>                                                                                                                                                    |  |  |                   |                   |
| Balance 1 July 2006                                                                                                                                                             |  |  | 2,504,855         | 2,250,018         |
| Deposits Received                                                                                                                                                               |  |  | 409,544           | 417,663           |

|                             |  |                  |                  |
|-----------------------------|--|------------------|------------------|
|                             |  | -                | -                |
| Refund                      |  | 265,536          | 279,679          |
| Interest Paid               |  | 130,953          | 116,853          |
| <b>Balance 30 June 2007</b> |  | <b>2,779,815</b> | <b>2,504,855</b> |

|                            |  |                  |                  |
|----------------------------|--|------------------|------------------|
| <b>6. Provisions</b>       |  |                  |                  |
|                            |  |                  |                  |
| Performance Bonus          |  | 231,330          | 71,750           |
| Job Evaluation             |  | 4,099,225        | 3,671,645        |
| Provision for long-service |  | 179,500          | 156,061          |
| <b>Total Provisions</b>    |  | <b>4,510,055</b> | <b>3,899,456</b> |

Performance bonuses accrue to employees half yearly, subject to certain conditions. The provision is an estimate of the

amount due to staff at the reporting date.

A provision for Job Evaluation has been made, as council expects the expense in the 2007/08 financial year.

The movement in current provisions are reconciled as follows:-

|                                | Long<br>Servic<br>e | Perfo<br>manc<br>e  | Job<br>Evalua<br>tion  | Total                 |
|--------------------------------|---------------------|---------------------|------------------------|-----------------------|
|                                | Bonus               | Bonus               |                        |                       |
| Balance at 1 July 2006         | 156,0<br>61         | 71,75<br>0          | 3,671,<br>645          | 3,899,4<br>56         |
| Contribution to provision      | 179,5<br>00         | 231,3<br>30         | 995,19<br>8            | 1,406,0<br>29         |
| Expenditure incurred           | -<br>156,0<br>61    | -<br>71,75<br>0     | -<br>567,61<br>9       | -<br>795,43<br>0      |
| <b>Balance at 30 June 2007</b> | <b>179,5<br/>00</b> | <b>231,3<br/>30</b> | <b>4,099,<br/>225</b>  | <b>4,510,0<br/>55</b> |
|                                |                     |                     |                        |                       |
| <b>7. Creditors</b>            |                     |                     |                        |                       |
| Trade Creditors                |                     |                     | 8,579,<br>097          | 2,322,7<br>79         |
| Payments received in advance   |                     |                     | 41,505                 | 89,316                |
| Retentions                     |                     |                     | 920,90<br>6            | 748,30<br>0           |
| Staff Leave                    |                     |                     | 1,656,<br>548          | 1,966,9<br>97         |
| Other Creditors                |                     |                     | 1,787,<br>967          | 1,437,9<br>07         |
| <b>Total</b>                   |                     |                     | <b>12,986<br/>,024</b> | <b>6,565,2<br/>99</b> |
|                                |                     |                     |                        |                       |

|                                                                                                                    |  |  |  |            |           |
|--------------------------------------------------------------------------------------------------------------------|--|--|--|------------|-----------|
| The total liability in respect of leave amounts to R1 656 548 as at 30 June 2007. The full amount is provided for. |  |  |  |            |           |
|                                                                                                                    |  |  |  |            |           |
| <b>8. Unspent Conditional Grants and Receipts</b>                                                                  |  |  |  |            |           |
|                                                                                                                    |  |  |  |            |           |
| <b>Conditional Grants from other spheres of Government</b>                                                         |  |  |  | 23,767,562 | 4,163,151 |
| Provincial LED Projects (see note 19)                                                                              |  |  |  | 629,507    | 2,610,697 |
| Riversdale Housing Scheme                                                                                          |  |  |  | 1,016,037  |           |
| District Municipality Led Projects (see note 19)                                                                   |  |  |  | 334,787    | 237,703   |
| National Government Led Projects (see note 19)                                                                     |  |  |  | 22,803,268 | 298,714   |
|                                                                                                                    |  |  |  |            |           |
| <b>Other Conditional Receipts</b>                                                                                  |  |  |  | 8,355,464  | 6,115,847 |
| Dept. of Health                                                                                                    |  |  |  | 162,480    | 0         |
| Tourism                                                                                                            |  |  |  | 101,819    | 156,896   |
| Multi Purpose Centre                                                                                               |  |  |  | 154,007    | 202,743   |
| Skills Development                                                                                                 |  |  |  | 162,526    | 110,601   |
| N.E.P                                                                                                              |  |  |  | 2,360,106  | 290,185   |

|                                                                                                                                            |  |  |                        |                   |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------|--|--|------------------------|-------------------|-------------------|
| Africana Centre                                                                                                                            |  |  | 26,313                 | 26,313            |                   |
| Cape Nature: Plant Project                                                                                                                 |  |  | 47,255                 | 0                 |                   |
| Garcia Forestry                                                                                                                            |  |  | 5,304,292              | 5,292,443         |                   |
| Gourits Nature Impact Study                                                                                                                |  |  | 36,666                 | 36,666            |                   |
| <b>Total conditional grants and receipts</b>                                                                                               |  |  |                        | <b>32,123,026</b> | <b>10,278,998</b> |
|                                                                                                                                            |  |  |                        |                   |                   |
| <b>9. Vat</b>                                                                                                                              |  |  |                        |                   |                   |
|                                                                                                                                            |  |  |                        |                   |                   |
| VAT payable                                                                                                                                |  |  | 1,950,443              | 2,457,405         |                   |
| VAT receivable                                                                                                                             |  |  | -<br>3,648,512         | 2,216,214         |                   |
| <b>Net VAT payable/(receivable)</b>                                                                                                        |  |  | <b>-<br/>1,698,069</b> | <b>241,191</b>    |                   |
|                                                                                                                                            |  |  |                        |                   |                   |
| VAT is payable on the payment basis. Once payment is received from debtors VAT is paid over to SARS. The Vat amount on outstanding debtors |  |  |                        |                   |                   |
| amount to R1 950 442 at yearend.                                                                                                           |  |  |                        |                   |                   |
|                                                                                                                                            |  |  |                        |                   |                   |
| <b>10. Property, Plant and Equipment 30 June 2007</b>                                                                                      |  |  | <b>Cost</b>            | <b>Accu m.</b>    | <b>Carryi ng</b>  |

|                                            |  | R          | Depreciation<br>R  | Value<br>R        |                   |
|--------------------------------------------|--|------------|--------------------|-------------------|-------------------|
| Land and Buildings                         |  | 1,031,232  | 0                  | 1,031,232         |                   |
| Infrastructure                             |  | 80,344,302 | 15,522,764         | 64,821,538        |                   |
| Community                                  |  | 10,289,535 | 1,301,598          | 8,987,937         |                   |
| Heritage                                   |  | 5,500      | 0                  | 5,500             |                   |
| Other                                      |  | 16,982,383 | 5,047,294          | 11,935,089        |                   |
| <b>Total property, plant and equipment</b> |  |            | <b>108,652,952</b> | <b>21,871,656</b> | <b>86,781,296</b> |
|                                            |  |            |                    |                   |                   |
| <b>30/06/2006</b>                          |  |            |                    |                   |                   |
| Land and Buildings                         |  | 954,916    | 0                  | 954,916           |                   |
| Infrastructure                             |  | 64,652,011 | 12,043,552         | 52,608,459        |                   |
| Community                                  |  | 9,440,649  | 811,424            | 8,629,225         |                   |
| Heritage                                   |  | 5,500      | 0                  | 5,500             |                   |
| Other                                      |  | 12,921,219 | 3,735,267          | 9,185,952         |                   |
| <b>Total property, plant and equipment</b> |  |            | <b>87,974,295</b>  | <b>16,590,243</b> | <b>71,384,052</b> |

|                                                                                                                                                       |                   |                   |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|--|
| Refer to <b>Appendix B and B2 -1</b> for more detail                                                                                                  |                   |                   |  |
| The municipality has taken advantage of the transitional provisions set out in GAMAP 17. The municipality is in the process of itemising              |                   |                   |  |
| all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by June 2008.             |                   |                   |  |
| At present depreciation on these assets is calculated on an averaging basis where useful lives has been estimated for each category                   |                   |                   |  |
| of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the municipality               |                   |                   |  |
| has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments                        |                   |                   |  |
| will be done by 30 June 2008.                                                                                                                         |                   |                   |  |
| The municipality is also in the process of getting detail of all properties that is registered at the deeds office. Once this is finalised, the       |                   |                   |  |
| asset register will be updated with the correct detail. Currently the land and buildings reflect the historical cost recorded in the accounting       |                   |                   |  |
| records.                                                                                                                                              |                   |                   |  |
| Investment property, will be treated according to IAS40 once the valuation of these properties has been done. The general valuation will be completed |                   |                   |  |
| before 30 June 2008.                                                                                                                                  |                   |                   |  |
|                                                                                                                                                       |                   |                   |  |
| <b>11. Investments</b>                                                                                                                                |                   |                   |  |
| <b><u>Financial Instruments</u></b>                                                                                                                   |                   |                   |  |
| Short Term                                                                                                                                            | 93,556,792        | 41,505,153        |  |
| <b>Total</b>                                                                                                                                          | <b>93,556,792</b> | <b>41,505,153</b> |  |
|                                                                                                                                                       |                   |                   |  |

|                                                                                                                            |  |  |  |         |           |
|----------------------------------------------------------------------------------------------------------------------------|--|--|--|---------|-----------|
| Call Investments are ringfenced and attributable to the Reserves. An amount of R3 314 778 has also been ringfenced for the |  |  |  |         |           |
| purpose of repaying long term liabilities as set out in note 4.                                                            |  |  |  |         |           |
|                                                                                                                            |  |  |  |         |           |
| <b>12. Long-term receivable</b>                                                                                            |  |  |  |         |           |
| Car Loans                                                                                                                  |  |  |  | 301,943 | 685,109   |
| Sportclubs/Pre-primary school                                                                                              |  |  |  | 33,033  | 34,142    |
| Housing - Stilbaai                                                                                                         |  |  |  | 37,613  | 50,491    |
| Housing selling scheme loans                                                                                               |  |  |  | 209,981 | 1,194,99  |
|                                                                                                                            |  |  |  | 582,570 | 1,964,741 |
| <b>Less: Current portion transferred to current receivables</b>                                                            |  |  |  |         | 212,342   |
|                                                                                                                            |  |  |  |         | 1,568,779 |
| Car Loans                                                                                                                  |  |  |  | 204,022 | 361,647   |
| <b>12. Long-term receivable (continued)</b>                                                                                |  |  |  |         |           |
| Sportclubs                                                                                                                 |  |  |  | 1,200   | 1,109     |
| Other                                                                                                                      |  |  |  | 0       | 0         |
| Housing - Stilbaai                                                                                                         |  |  |  | 7,121   | 11,024    |
| Housing selling scheme loans                                                                                               |  |  |  | 0       | 1,194,99  |
|                                                                                                                            |  |  |  |         |           |
| <b>Less: Provision for Bad Debts - Housing Loans</b>                                                                       |  |  |  |         | 209,981   |
|                                                                                                                            |  |  |  |         | 0         |

|                                                                                                                                   |  |  |             |             |
|-----------------------------------------------------------------------------------------------------------------------------------|--|--|-------------|-------------|
|                                                                                                                                   |  |  |             |             |
|                                                                                                                                   |  |  | 160,24<br>6 | 395,96<br>2 |
|                                                                                                                                   |  |  |             |             |
| <b>Car Loans</b>                                                                                                                  |  |  |             |             |
| Senior staff were entitled to car loans which attract interest at rates between 8 and 11% per annum and which are repayable       |  |  |             |             |
| over a maximum period of 6 years. These loans are repayable by the year 2011,                                                     |  |  |             |             |
|                                                                                                                                   |  |  |             |             |
| <b>Sportclubs and other</b>                                                                                                       |  |  |             |             |
| The council granted loans at a interest rate of 8% to the following:                                                              |  |  |             |             |
| Pikkewouter Pre-primary school - Stilbaai                                                                                         |  |  |             |             |
| Heidelberg Gholfklub                                                                                                              |  |  |             |             |
| These loans are repayable in the year 2022.                                                                                       |  |  |             |             |
|                                                                                                                                   |  |  |             |             |
| <b>Housing Stilbaai</b>                                                                                                           |  |  |             |             |
| Before the amalgamation on 1 July 2001, the former Stilbaai council raised loans for housing at an interest rate of 8%, repayable |  |  |             |             |
| over 20 years.                                                                                                                    |  |  |             |             |
|                                                                                                                                   |  |  |             |             |
| <b>13. Inventory</b>                                                                                                              |  |  |             |             |
| Stilbaai Store - at cost                                                                                                          |  |  | 452,28<br>2 | 525,45<br>1 |

|                                         |                             |  |           |         |         |
|-----------------------------------------|-----------------------------|--|-----------|---------|---------|
| Diesel Store - Heidelberg - at cost     |                             |  | 0         | 0       |         |
| Diesel Store - Stilbaai - at cost       |                             |  | 20,122    | 24,886  |         |
| Store Heidelberg - Electrical - at cost |                             |  |           | 173,470 | 118,795 |
| Public Works - Heidelberg - at cost     |                             |  | 30,087    | 26,942  |         |
| Waterworks - Heidelberg - at cost       |                             |  | 15,713    | 20,620  |         |
| Store - Witsand - at cost               |                             |  | 0         | 11,983  |         |
| Water Inventory - at cost               |                             |  | 4,261     | 0       |         |
| Paving - at cost                        |                             |  | 355,395   | 0       |         |
|                                         |                             |  | 1,051,330 | 728,677 |         |
|                                         |                             |  |           |         |         |
| <b>Other - at cost</b>                  |                             |  |           |         |         |
| Telephone Cards                         |                             |  | 0         | 380     |         |
| Stilbaai Books                          |                             |  | 303       | 455     |         |
| Refuse Bins                             |                             |  | 2,101     | 1,701   |         |
| Albertinia Books                        |                             |  | 7,200     | 8,700   |         |
| Langeberg Licence Holders               |                             |  | 0         | 148     |         |
| Hessequa Book:                          | Riversdal Tourism           |  |           | 8,825   | 12,383  |
|                                         | Albertinia Tourism          |  |           | 679     | 0       |
|                                         | Albertinia Municipal Office |  |           | 1,358   | 0       |

|                                                                                                                                                                                                                                                                                    |     |      |                  |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------|------------------|----------------|
| Slangrivier - Office                                                                                                                                                                                                                                                               |     |      | 679              | 0              |
| Stilbaai - Office                                                                                                                                                                                                                                                                  |     |      | 1,222            | 0              |
| Gouritsmond Tourism                                                                                                                                                                                                                                                                |     |      | 10,862           | 12,383         |
| Stilbaai Tourism                                                                                                                                                                                                                                                                   |     |      | 3,259            | 11,763         |
| Witsand - Office                                                                                                                                                                                                                                                                   |     |      | 1,222            | 0              |
| Heidelberg - Office                                                                                                                                                                                                                                                                |     |      | 1,358            | 0              |
| Mayoral Office                                                                                                                                                                                                                                                                     |     |      | 6,110            | 9,442          |
| <b>Total</b>                                                                                                                                                                                                                                                                       |     |      | <b>1,096,506</b> | <b>786,032</b> |
| <b>13. Inventory - (continued)</b>                                                                                                                                                                                                                                                 |     |      |                  |                |
| <b><u>Water Inventory</u></b>                                                                                                                                                                                                                                                      |     |      |                  |                |
| This is the first financial year that the water inventory at year end has been determined. Although the methodology that was used in determining the water inventory can be subject to question, the figure that was arrived at is, to the best of our knowledge, fairly accurate. |     |      |                  |                |
| The following losses were calculated during the comparison of water purchases against water sales:                                                                                                                                                                                 |     |      |                  |                |
| Riversdale                                                                                                                                                                                                                                                                         | 50% | loss |                  |                |
| Heidelberg and Witsand                                                                                                                                                                                                                                                             | 18% | loss |                  |                |
| Slangrivier                                                                                                                                                                                                                                                                        | 52% | loss |                  |                |
| <u>The shortage is attributed to the following factors:</u>                                                                                                                                                                                                                        |     |      |                  |                |
| Not all departmental usage is metered. - (Riversdale, Heidelberg and Witsand, Slangrivier)                                                                                                                                                                                         |     |      |                  |                |

The amount of water purchase for Riversdale during August 2006 through October 2006 is doubtful since this was during the time of the flood when water

was in abundance.

The loss of water between the suppliers meter and our meter at the purification works in Riversdale suggests that there was a pipe leak in the 18 kilometer

pipeline that was not detected until July 2007.

The latter was proved to be conclusive when it was found that a water leak had occurred in the main supply line under the N2 national road in Riversdale, and

the resulting excavation showed that a leak has occurred a long time previously as was evident in the extent of saturation in the surrounding land.

#### 14. Consumer Debtors

|                  | 30 June 2006  |                         |             | 30 June 2007  |                         |             |
|------------------|---------------|-------------------------|-------------|---------------|-------------------------|-------------|
|                  | Gross Balance | Provision for Bad Debts | Net Balance | Gross Balance | Provision for Bad Debts | Net Balance |
| Service Debtors: |               |                         |             |               |                         |             |
| Rates            | 5,309,101     | 2,782,326               | 2,526,775   | 4,734,581     | 2,644,447               | 2,090,134   |
| Electricity      | 2,836,837     | 817,041                 | 2,019,796   | 2,911,148     | 1,625,989               | 1,285,159   |
| Water            | 3,728,032     | 2,340,274               | 1,387,758   | 3,399,196     | 1,898,583               | 1,500,613   |

|                                |                             |                        |                       |                        |                        |                       |
|--------------------------------|-----------------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|
| Sewerage                       | 3,52<br>8,04<br>5           | 2,239,8<br>85          | 1,288,<br>161         | 3,049,<br>091          | 1,703,<br>036          | 1,346,0<br>55         |
| Waste Management               | 2,47<br>7,58<br>3           | 1,563,5<br>77          | 914,0<br>06           | 2,218,<br>933          | 1,239,<br>360          | 979,57<br>3           |
| Housing Rental/Selling Schemes | 2,83<br>7,91<br>7           | 2,837,9<br>17          | 0                     | 206,9<br>13            | 206,91<br>3            | 0                     |
| Other                          | 5,58<br>2,33<br>6           | 4,734,7<br>61          | 847,5<br>75           | 5,219,<br>657          | 2,915,<br>821          | 2,303,8<br>36         |
|                                | <b>26,2<br/>99,8<br/>51</b> | <b>17,315,<br/>781</b> | <b>8,984,<br/>071</b> | <b>21,73<br/>9,520</b> | <b>12,234<br/>,148</b> | <b>9,505,3<br/>71</b> |
|                                |                             |                        |                       |                        |                        |                       |
|                                |                             |                        |                       |                        |                        |                       |
| <b><u>Rates Ageing</u></b>     |                             |                        |                       |                        |                        |                       |
| Current (0 - 30days)           |                             |                        |                       |                        | 1,356,<br>849          | 1,564,1<br>02         |
| 31 - 60 days                   |                             |                        |                       |                        | 477,67<br>1            | 174,32<br>8           |
| 60 days +                      |                             |                        |                       |                        | 94,603                 | 92,764                |
| 90 days +                      |                             |                        |                       |                        | 2,805,<br>459          | 3,477,9<br>08         |
| <b><u>Total</u></b>            |                             |                        |                       |                        | <b>4,734,<br/>581</b>  | <b>5,309,1<br/>02</b> |
|                                |                             |                        |                       |                        |                        |                       |

|                                                                   |  |  |                   |                   |
|-------------------------------------------------------------------|--|--|-------------------|-------------------|
| <b><u>Electricity, Water, Waste Management &amp; Sewerage</u></b> |  |  |                   |                   |
| Current (0 - 30days)                                              |  |  | 2,667,217         | 2,285,484         |
| 31 - 60 days                                                      |  |  | 947,110           | 969,464           |
| 60 days +                                                         |  |  | 582,074           | 614,579           |
| 90 days +                                                         |  |  | 7,381,967         | 8,700,970         |
| <b><u>Total</u></b>                                               |  |  | <b>11,578,369</b> | <b>12,570,497</b> |
|                                                                   |  |  |                   |                   |
| <b><u>Other</u></b>                                               |  |  |                   |                   |
| Current (0 - 30days)                                              |  |  | 561,338           | 346,491           |
| 31 - 60 days                                                      |  |  | 329,021           | 257,746           |
| 60 days +                                                         |  |  | 143,745           | 218,759           |
| 90 days +                                                         |  |  | 4,185,553         | 4,759,339         |
| <b><u>Total</u></b>                                               |  |  | <b>5,219,657</b>  | <b>5,582,335</b>  |
| <b>14. Consumer Debtors - (continued)</b>                         |  |  |                   |                   |
| <b><u>Housing rentals</u></b>                                     |  |  |                   |                   |
| Current (0 - 30days)                                              |  |  | 3,718             | 10,618            |
| 31 - 60 days                                                      |  |  | 2,065             | 7,615             |

|                                                                           |  |  |                |                  |
|---------------------------------------------------------------------------|--|--|----------------|------------------|
| 60 days +                                                                 |  |  | 1,593          | 6,345            |
| 90 days +                                                                 |  |  | 199,538        | 2,813,339        |
| <b>Total</b>                                                              |  |  | <b>206,913</b> | <b>2,837,917</b> |
|                                                                           |  |  |                |                  |
| <b>15. Other Debtors</b>                                                  |  |  |                |                  |
| Insurance claims                                                          |  |  | 18,969         | 4,380            |
| Government subsidies                                                      |  |  | 138,582        | 345,049          |
| Councillors Telephone Accounts                                            |  |  | 48,637         | 105,695          |
| Prepaid Expenses                                                          |  |  | 20,740         | 0                |
| Employees PAYE                                                            |  |  | 0              | 164,320          |
| Other                                                                     |  |  | 129,707        | 621,594          |
|                                                                           |  |  | 356,636        | 1,241,038        |
| Less: Provision for Land Sale Housing Albertinia - (included under other) |  |  |                | -25,080          |
|                                                                           |  |  |                |                  |
| <b>Total Other Debtors</b>                                                |  |  | <b>331,556</b> | <b>1,241,038</b> |
|                                                                           |  |  |                |                  |
| <b>16. Bank and Cash</b>                                                  |  |  |                |                  |

|                                                     |  |           |               |                |
|-----------------------------------------------------|--|-----------|---------------|----------------|
| First National Bank - Riversdale Branch Code 200313 |  |           |               |                |
| Account Number 53571024174                          |  |           |               |                |
|                                                     |  |           |               |                |
| Cash book balance at beginning of year              |  |           | 3,487,797     | 11,653,679     |
|                                                     |  |           | -             |                |
| Cash book balance at end of year                    |  | 5,225,815 | 3,487,797     |                |
|                                                     |  |           |               |                |
| Bank statement balance at beginning of year         |  |           | 10,726,883    | 18,646,044     |
| Bank statement balance at end of year               |  |           | 87,759        | 10,726,883     |
|                                                     |  |           |               |                |
| Cash on hand - cashiers                             |  |           | 4,190         | 4,140          |
|                                                     |  |           |               |                |
|                                                     |  |           |               |                |
| <b>17. Property Rates</b>                           |  |           |               |                |
|                                                     |  |           |               |                |
| <b><u>Actual</u></b>                                |  |           |               |                |
| Residential, Commercial & State                     |  |           | 29,015,651    | 25,600,643     |
|                                                     |  |           | -             | -              |
| Less: Income Forgone                                |  |           | 2,822,495     | 2,457,994      |
| <b><u>Total Assessment Rates</u></b>                |  |           | <b>26,193</b> | <b>23,142,</b> |

|                                                                                                                                                                                                                                                                        |                     |                          |                         |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                                                                        |                     |                          | ,156                    | 649                     |
|                                                                                                                                                                                                                                                                        |                     |                          |                         |                         |
| <b><u>Valuations</u></b>                                                                                                                                                                                                                                               |                     |                          |                         |                         |
|                                                                                                                                                                                                                                                                        |                     |                          | <b><u>R000'</u></b>     | <b><u>R000's</u></b>    |
| -                                                                                                                                                                                                                                                                      |                     |                          |                         |                         |
| Residential, Commercial & State                                                                                                                                                                                                                                        |                     |                          | 2,625,114               | 2,516,775               |
| Agriculture                                                                                                                                                                                                                                                            |                     |                          | 612,574                 | 572,169                 |
| Municipal                                                                                                                                                                                                                                                              |                     |                          | 164,622                 | 212,786                 |
| Churches                                                                                                                                                                                                                                                               |                     |                          | 38,481                  | 42,354                  |
| <b><u>Total Property Valuations</u></b>                                                                                                                                                                                                                                |                     |                          | <b><u>3,440,791</u></b> | <b><u>3,344,084</u></b> |
| -                                                                                                                                                                                                                                                                      |                     |                          |                         |                         |
| -                                                                                                                                                                                                                                                                      |                     |                          |                         |                         |
| -                                                                                                                                                                                                                                                                      |                     |                          |                         |                         |
| The current property valuations were done according to the Local Government Municipal Property Rates Act, No. 6 of 2004. The date of valuation is 1 January 2003 and implementation date was 1 July 2004. Our next general valuation will be implemented in July 2009. |                     |                          |                         |                         |
| The rates tariffs for the 2006/2007 financial year was as follow:                                                                                                                                                                                                      |                     |                          |                         |                         |
|                                                                                                                                                                                                                                                                        | <b><u>Towns</u></b> | <b><u>Rural Area</u></b> |                         |                         |
| -                                                                                                                                                                                                                                                                      |                     |                          |                         |                         |
|                                                                                                                                                                                                                                                                        | 1.3221              | .2928                    |                         |                         |
| <b>Land</b>                                                                                                                                                                                                                                                            | c/R                 | c/R                      |                         |                         |
| -                                                                                                                                                                                                                                                                      |                     |                          |                         |                         |

|                                              |      |       |                   |                   |
|----------------------------------------------|------|-------|-------------------|-------------------|
|                                              | 0.88 |       |                   |                   |
|                                              | 14   | .2928 |                   |                   |
| - Buildings                                  | c/R  | c/R   |                   |                   |
|                                              | 0.69 |       |                   |                   |
|                                              | 41   | .6941 |                   |                   |
| - Settlements                                | c/R  | c/R   |                   |                   |
| -                                            |      |       |                   |                   |
| -                                            |      |       |                   |                   |
| <b>18. Service Charges</b>                   |      |       |                   |                   |
| Sale of electricity                          |      |       | 33,313,322        | 29,561,863        |
| Sale of water                                |      |       | 11,725,232        | 10,711,869        |
| Connection Fees Services                     |      |       | 1,024,457         | 943,831           |
| Admission Swimming Pools                     |      |       | 34,567            | 38,110            |
| Camping Fees                                 |      |       | 3,315,050         |                   |
| Refuse removal                               |      |       | 5,809,237         | 5,258,365         |
| Sewerage and sanitation charges              |      |       | 7,912,049         | 7,152,182         |
| <b>Total Service Charges</b>                 |      |       | <b>63,133,914</b> | <b>53,666,220</b> |
|                                              |      |       |                   |                   |
| <b>19. Government Grants &amp; Subsidies</b> |      |       |                   |                   |
|                                              |      |       |                   |                   |
| Equitable Share                              |      |       | 9,450,            | 7,030,2           |

|                                                                                                                              |  |  |            |                   |                   |
|------------------------------------------------------------------------------------------------------------------------------|--|--|------------|-------------------|-------------------|
|                                                                                                                              |  |  | 340        | 57                |                   |
| Provincial LED Projects                                                                                                      |  |  | 3,178,664  | 9,876,466         |                   |
| Housing Projects                                                                                                             |  |  | 12,717,877 | 10,422,837        |                   |
| District Municipality LED Projects                                                                                           |  |  | 1,754,351  | 1,444,790         |                   |
| Provincial health subsidies                                                                                                  |  |  | 582,986    | 1,018,900         |                   |
| National Government LED Projects                                                                                             |  |  | 2,275,059  | 1,179,836         |                   |
| Other Grants                                                                                                                 |  |  | 3,652,517  | 1,288,903         |                   |
| <b>Total Government Grant and Subsidies</b>                                                                                  |  |  |            | <b>33,611,794</b> | <b>32,261,989</b> |
|                                                                                                                              |  |  |            |                   |                   |
| <b><u>Equitable Share</u></b>                                                                                                |  |  |            |                   |                   |
| Current Year Receipts                                                                                                        |  |  | 9,450,340  | 7,030,257         |                   |
|                                                                                                                              |  |  |            | -                 | -                 |
| Conditions met - transferred to revenue                                                                                      |  |  |            | <b>9,450,340</b>  | <b>7,030,257</b>  |
| <b>Conditions still to be met - transferred to liabilities (refer note 8)</b>                                                |  |  |            | <b>0</b>          | <b>0</b>          |
|                                                                                                                              |  |  |            |                   |                   |
| In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. |  |  |            |                   |                   |
|                                                                                                                              |  |  |            |                   |                   |

|                                                                                                                                                                                                                                                                                |  |  |  |                |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|----------------|------------------|
| <b><u>Provincial Health Services</u></b>                                                                                                                                                                                                                                       |  |  |  |                |                  |
| Balance unspent at beginning of year                                                                                                                                                                                                                                           |  |  |  | 0              | 159,072          |
| Current Year Receipts                                                                                                                                                                                                                                                          |  |  |  | 745,466        | 859,828          |
| Conditions met - transferred to revenue                                                                                                                                                                                                                                        |  |  |  | -<br>582,987   | -<br>1,018,900   |
| <b>Conditions still to be met - transferred to liabilities (refer note 8)</b>                                                                                                                                                                                                  |  |  |  | <b>162,479</b> | <b>0</b>         |
| The Municipality renders a health service on behalf of the Provincial Government and is refunded for it. This has been used exclusively to fund the Heidelberg Healthcare Centre. The conditions of the grant have been met. There was no delay or withholding of the subsidy. |  |  |  |                |                  |
| <b><u>Provincial Led Projects</u></b>                                                                                                                                                                                                                                          |  |  |  |                |                  |
| Balance unspent at beginning of year                                                                                                                                                                                                                                           |  |  |  | 2,610,695      | 1,656,046        |
| Current Year Receipts                                                                                                                                                                                                                                                          |  |  |  | 1,197,476      | 10,831,117       |
| Conditions met - transferred to revenue                                                                                                                                                                                                                                        |  |  |  | -<br>3,178,664 | -<br>9,876,466   |
| <b>Conditions still to be met - transferred to liabilities (refer note 8)</b>                                                                                                                                                                                                  |  |  |  | <b>629,507</b> | <b>2,610,697</b> |

|                                                                               |  |  |  |                   |                |
|-------------------------------------------------------------------------------|--|--|--|-------------------|----------------|
|                                                                               |  |  |  |                   |                |
| The grants were used to purchase items of Property, Plant & Equipment.        |  |  |  |                   |                |
| <b>19. Government Grants &amp; Subsidies - (continued)</b>                    |  |  |  |                   |                |
| <b><u>District Municipality Led Projects</u></b>                              |  |  |  |                   |                |
| Balance unspent at beginning of year                                          |  |  |  | 237,703           | 275,152        |
| Current Year Receipts                                                         |  |  |  | 1,851,435         | 1,407,343      |
| Conditions met - transferred to revenue                                       |  |  |  | -<br>1,754,351    | -<br>1,444,790 |
| <b>Conditions still to be met - transferred to liabilities (refer note 8)</b> |  |  |  | <b>334,787</b>    | <b>237,705</b> |
|                                                                               |  |  |  |                   |                |
| The grants were used to purchase items of Property, Plant & Equipment.        |  |  |  |                   |                |
|                                                                               |  |  |  |                   |                |
| <b><u>National Government - Led Projects</u></b>                              |  |  |  |                   |                |
| Balance unspent at beginning of year                                          |  |  |  | 298,715           | 931,262        |
| Current Year Receipts                                                         |  |  |  | 24,779,611        | 547,288        |
| Conditions met - transferred to revenue                                       |  |  |  | -<br>2,275,059    | -<br>1,179,836 |
| <b>Conditions still to be met - transferred to liabilities (refer note 8)</b> |  |  |  | <b>22,803,267</b> | <b>298,714</b> |

|                                                                                                                            |  |  |  |                |                  |
|----------------------------------------------------------------------------------------------------------------------------|--|--|--|----------------|------------------|
|                                                                                                                            |  |  |  |                |                  |
| The grants were used to purchase items of Property, Plant & Equipment. Included is the Financial Management grant, and was |  |  |  |                |                  |
| used for the remuneration of two interns.                                                                                  |  |  |  |                |                  |
|                                                                                                                            |  |  |  |                |                  |
| <b><u>Provincial Government: Housing</u></b>                                                                               |  |  |  |                |                  |
|                                                                                                                            |  |  |  |                |                  |
| Balance unspent at beginning of year                                                                                       |  |  |  | 1,016,038      | 0                |
| Current Year Receipts                                                                                                      |  |  |  | 11,701,839     | 11,438,875       |
|                                                                                                                            |  |  |  | -              | -                |
| Conditions met - transferred to revenue                                                                                    |  |  |  | 12,717,877     | 10,422,837       |
| <b>Conditions still to be met - transferred to liabilities (refer note 8)</b>                                              |  |  |  | <b>0</b>       | <b>1,016,038</b> |
| These grants are for the construction of houses. The conditions of the grant have been met. No funds have been withheld.   |  |  |  |                |                  |
|                                                                                                                            |  |  |  |                |                  |
| <b><u>Other</u></b>                                                                                                        |  |  |  |                |                  |
| Balance unspent at beginning of year                                                                                       |  |  |  | 6,115,847      | 1,116,359        |
| Current Year Receipts                                                                                                      |  |  |  | 5,729,654      | 6,288,390        |
|                                                                                                                            |  |  |  | -              | -                |
| Conditions met - transferred to revenue                                                                                    |  |  |  | 3,652,517      | 1,288,903        |
| <b>Conditions still to be met - transferred to liabilities (refer note 8)</b>                                              |  |  |  | <b>8,192,9</b> | <b>6,115</b>     |

|                                                                                                                            |  |  |  |                   |                   |
|----------------------------------------------------------------------------------------------------------------------------|--|--|--|-------------------|-------------------|
|                                                                                                                            |  |  |  | 84                | ,846              |
|                                                                                                                            |  |  |  |                   |                   |
| These grants received from other institutions are for operational and capital expenditure projects. Other than the unspent |  |  |  |                   |                   |
| amount, the conditions of the grant have been met. No funds have been withheld.                                            |  |  |  |                   |                   |
|                                                                                                                            |  |  |  |                   |                   |
| <b>20. Employee Related Cost</b>                                                                                           |  |  |  |                   |                   |
| Employee related costs - Salaries and Wages                                                                                |  |  |  | 28,259,676        | 28,537,214        |
| Employee related costs - Contributions for UIF, pensions and medical aids                                                  |  |  |  | 7,282,403         | 6,231,795         |
| Travel, motor car, accomodation, subsistence and other allowances                                                          |  |  |  | 2,511,742         | 1,242,245         |
| Housing benefits and allowances                                                                                            |  |  |  | 289,283           | 235,153           |
| Overtime payments                                                                                                          |  |  |  | 1,953,817         | 1,479,065         |
| Performance bonus                                                                                                          |  |  |  | 231,330           | 114,800           |
| Long-service awards                                                                                                        |  |  |  | 190,890           | 139,295           |
| <b>Total Employee Related Costs</b>                                                                                        |  |  |  | <b>40,719,141</b> | <b>37,979,567</b> |
| There were no advances to employees. Loans to employees are set out in note 10.                                            |  |  |  |                   |                   |
|                                                                                                                            |  |  |  |                   |                   |
| <b><u>Remuneration of the Municipal Manager</u></b>                                                                        |  |  |  |                   |                   |

|                                                                                     |                |                |         |
|-------------------------------------------------------------------------------------|----------------|----------------|---------|
| Annual Remuneration                                                                 | 365,071        | 250,000        |         |
| Performance Bonuses                                                                 | 105,733        | 114,800        |         |
| Car Allowance                                                                       | 61,951         | 84,538         |         |
| Contributions to UIF, Medical and Pension Fund                                      |                | 101,572        | 227,668 |
| <b>Total</b>                                                                        | <b>634,327</b> | <b>677,006</b> |         |
| -                                                                                   |                |                |         |
| <b><u>Remuneration of the Deputy Municipal Manager - (1/3/2007 - 30/6/2007)</u></b> |                |                |         |
| Annual Remuneration                                                                 | 116,099        | 0              |         |
| Bonus                                                                               | 28,758         | 0              |         |
| Car Allowance                                                                       | 50,452         | 0              |         |
| Contributions to UIF, Medical and Pension Fund                                      |                | 28,510         | 0       |
| <b>Total</b>                                                                        | <b>223,819</b> | <b>0</b>       |         |
| <b>20. Employee Related Cost - (continued)</b>                                      |                |                |         |
| <b><u>Remuneration of the Manager Corporate Services</u></b>                        |                |                |         |
| Annual Remuneration                                                                 | 207,634        | 193,942        |         |
| Bonus                                                                               | 17,131         | 16,162         |         |
| Car Allowance                                                                       | 91,392         | 100,135        |         |

|                                                                            |                |                |        |
|----------------------------------------------------------------------------|----------------|----------------|--------|
| Performance Bonus                                                          | 28,758         | 0              |        |
| Contributions to UIF, Medical and Pension Fund                             |                | 70,375         | 66,713 |
| <b>Total</b>                                                               | <b>415,290</b> | <b>376,952</b> |        |
| -                                                                          |                |                |        |
| <b><u>Remuneration of the Manager Water, Sewerage &amp; Sanitation</u></b> |                |                |        |
| Annual Remuneration                                                        | 221,000        | 158,148        |        |
| Bonus                                                                      | 18,417         | 13,179         |        |
| Performance Bonus                                                          | 22,100         |                |        |
| Car Allowance                                                              | 65,352         | 65,352         |        |
| Acting Allowance                                                           | 0              | 62,415         |        |
| Contributions to UIF, Medical and Pension Fund                             |                | 79,311         | 78,675 |
| <b>Total</b>                                                               | <b>406,180</b> | <b>377,769</b> |        |
| -                                                                          |                |                |        |
| <b><u>Remuneration of the Manager Community Services</u></b>               |                |                |        |
| Annual Remuneration                                                        | 221,000        | 129,490        |        |
| Bonus                                                                      | 18,417         | 10,791         |        |
| Performance Bonus                                                          | 22,100         |                |        |
| Car Allowance                                                              | 93,781         | 47,338         |        |

|                                                                    |  |                |                |        |
|--------------------------------------------------------------------|--|----------------|----------------|--------|
| Acting Allowance                                                   |  | 0              | 62,415         |        |
| Contributions to UIF, Medical and Pension Fund                     |  |                | 72,470         | 60,778 |
| <b>Total</b>                                                       |  | <b>427,768</b> | <b>310,812</b> |        |
| -                                                                  |  |                |                |        |
| <b><u>Remuneration of the Manager Streets &amp; Stormwater</u></b> |  |                |                |        |
| Annual Remuneration                                                |  | 221,000        | 139,581        |        |
| Bonus                                                              |  | 18,417         | 11,624         |        |
| Performance Bonus                                                  |  | 22,100         |                |        |
| Car Allowance                                                      |  | 85,108         | 42,737         |        |
| Acting Allowance                                                   |  | 0              | 62,415         |        |
| Contributions to UIF, Medical and Pension Fund                     |  |                | 67,919         | 73,933 |
| <b>Total</b>                                                       |  | <b>414,544</b> | <b>330,290</b> |        |
| -                                                                  |  |                |                |        |
| <b><u>Remuneration of the Manager Planning Services</u></b>        |  |                |                |        |
| Annual Remuneration                                                |  | 143,612        | 0              |        |
| Bonus                                                              |  | 9,772          | 0              |        |
| Performance Bonus                                                  |  | 15,658         | 0              |        |
| Car Allowance                                                      |  | 71,464         | 0              |        |

|                                                                                            |                |          |   |
|--------------------------------------------------------------------------------------------|----------------|----------|---|
| Contributions to UIF, Medical and Pension Fund                                             |                | 49,017   | 0 |
| <b>Total</b>                                                                               | <b>289,523</b> | <b>0</b> |   |
| -                                                                                          |                |          |   |
| <b><u>Remuneration of the Manager Information Technology</u></b>                           |                |          |   |
| Annual Remuneration                                                                        | 128,730        | 0        |   |
| Bonus                                                                                      | 10,621         | 0        |   |
| Performance Bonus                                                                          | 13,837         | 0        |   |
| Car Allowance                                                                              | 53,695         | 0        |   |
| Contributions to UIF, Medical and Pension Fund                                             |                | 36,764   | 0 |
| <b>Total</b>                                                                               | <b>243,647</b> | <b>0</b> |   |
| -                                                                                          |                |          |   |
| <b><u>Remuneration of the Acting Manager Financial Services (1/3/2007 - 30/6/2007)</u></b> |                |          |   |
| Annual Remuneration                                                                        | 57,000         | 0        |   |
| Car Allowance                                                                              | 23,765         | 0        |   |
| Acting Allowance                                                                           | 16,667         | 0        |   |
| Contributions to UIF, Medical and Pension Fund                                             |                | 16,516   | 0 |
| <b>Total</b>                                                                               | <b>113,948</b> | <b>0</b> |   |
| -                                                                                          |                |          |   |
| <b>21. Remuneration of councillors</b>                                                     |                |          |   |

|                                                                                                                                |                  |                  |
|--------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Executive Mayor                                                                                                                | 419,200          | 308,062          |
| Deputy Executive Mayor                                                                                                         | 342,170          | 91,490           |
| Speaker                                                                                                                        | 338,565          | 255,851          |
| Mayoral Committee Members                                                                                                      | 640,644          | 211,495          |
| Councillors                                                                                                                    | 1,303,482        | 1,265,558        |
| Councillors' pension contributions                                                                                             | 0                | 127,710          |
| Travel Expenses & Mayoral-, Deputy Mayoral-, Speaker Allowance                                                                 |                  | 132,012          |
| <b>Total Councillors' Remuneration</b>                                                                                         | <b>3,176,073</b> | <b>2,260,166</b> |
| -                                                                                                                              | -                | -                |
| <b>In-kind Benefits</b>                                                                                                        |                  |                  |
| The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time councillors. Each is          |                  |                  |
| provided with an office and secretarial support at the cost of the Council.                                                    |                  |                  |
| Councillors allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution. |                  |                  |
|                                                                                                                                |                  |                  |
| <b>22. Interest Paid</b>                                                                                                       |                  |                  |
|                                                                                                                                |                  |                  |
| Long-term liabilities                                                                                                          | 2,933,           | 3,003,4          |

|                                               |                   |                   |                  |
|-----------------------------------------------|-------------------|-------------------|------------------|
|                                               | 742               | 36                |                  |
| Consumer deposits                             | 130,953           | 116,853           |                  |
| <b>Total Interest on External Borrowings</b>  |                   | <b>3,064,696</b>  | <b>3,120,289</b> |
|                                               |                   |                   |                  |
| <b>23. Bulk Purchases</b>                     |                   |                   |                  |
| Electricity                                   | 17,355,793        | 16,717,711        |                  |
| Water                                         | 1,775,597         | 1,848,902         |                  |
| <b>Total Bulk Purchases</b>                   | <b>19,131,390</b> | <b>18,566,613</b> |                  |
|                                               |                   |                   |                  |
| <b>24. PAYE and UIF</b>                       |                   |                   |                  |
|                                               |                   |                   |                  |
| Opening Balance                               | 0                 | 0                 |                  |
| Current year payroll deductions               | 3,728,780         | 4,053,055         |                  |
|                                               | -                 | -                 |                  |
| Amount paid - current year                    | 3,728,780         | 4,053,055         |                  |
| <b>Balance at 30 June 2007</b>                | <b>0</b>          | <b>0</b>          |                  |
|                                               |                   |                   |                  |
| <b>25. Pension and Medical Aid Deductions</b> |                   |                   |                  |

|                                                                                         |  |                  |                  |           |
|-----------------------------------------------------------------------------------------|--|------------------|------------------|-----------|
| Opening Balance                                                                         |  | 0                | 0                |           |
| Current year payroll deductions                                                         |  | 9,264,221        | 5,267,227        |           |
|                                                                                         |  | -                | -                |           |
| Amount paid - current year                                                              |  | 9,264,221        | 5,267,227        |           |
| <b>Balance at 30 June 2007</b>                                                          |  | <b>0</b>         | <b>0</b>         |           |
| The 2006 figure exclude the employees contribution and therefor was stated incorrectly. |  |                  |                  |           |
|                                                                                         |  |                  |                  |           |
| <b>26. Bad Debts</b>                                                                    |  |                  |                  |           |
| Contribution to bad debt provision - ex I & E                                           |  |                  | 1,479,797        | 6,273,443 |
| Contribution from bad debt provision                                                    |  | 9,669,564        | 5,760,575        |           |
|                                                                                         |  | -                | -                |           |
| Bad debts written off                                                                   |  | 9,669,564        | 5,760,575        |           |
| <b>Total</b>                                                                            |  | <b>1,479,797</b> | <b>6,273,443</b> |           |
|                                                                                         |  |                  |                  |           |
| <b>27. General Expenses</b>                                                             |  |                  |                  |           |
| <b>Operating Grants:</b>                                                                |  | 20,081,440       | 20,398,226       |           |
| Equitable Share                                                                         |  | 3,280,812        | 7,030,257        |           |
| Skills Development                                                                      |  | 108,129          | 343,305          |           |

|                                           |            |            |
|-------------------------------------------|------------|------------|
| Housing - Riversdal                       | 12,717,877 | 10,422,837 |
| Housing - Electricity                     | 0          | 298,351    |
| Housing - Toilets Blikkiesdorp            | 0          | 62,638     |
| Dennedal Garcia Services                  | 2,364,751  | 0          |
| Land Reform                               | 1,176,357  | 1,230,874  |
| Other                                     | 433,513    | 1,009,964  |
| Audit Fees                                | 552,535    | 513,369    |
| <b>27. General Expenses - (continued)</b> |            |            |
| Chemicals                                 | 831,463    | 821,325    |
| Insurance                                 | 443,620    | 621,647    |
| Material & Supplies                       | 830,891    | 848,894    |
| Other                                     | 4,395,529  | 6,323,635  |
| Clean-up projects                         | 381,996    | 0          |
| Environmental education                   | 413,051    | 0          |
| Tourism                                   | 400,000    | 0          |
| Development Costs                         | 869,32     | 0          |

|                                                           |                    |  |                   |                   |         |
|-----------------------------------------------------------|--------------------|--|-------------------|-------------------|---------|
|                                                           |                    |  | 0                 |                   |         |
| Inventory                                                 |                    |  | 512,983           | 0                 |         |
| Levy: Dept. of Water Affairs                              |                    |  | 587,795           | 0                 |         |
| Operational Leases:                                       | Office Machines    |  |                   | 99,039            | 41,382  |
|                                                           | Land and Buildings |  |                   | 96,862            | 112,423 |
| Postage & Telephone                                       |                    |  | 1,840,807         | 1,593,547         |         |
| Printing & Stationery                                     |                    |  | 691,295           | 676,674           |         |
| Software assistance                                       |                    |  | 501,707           | 388,133           |         |
| Travelling & Subsistence                                  |                    |  | 572,166           | 398,603           |         |
| Trust Funds - Expenditure                                 |                    |  | 278,533           | 326,351           |         |
| Vehicle Costs                                             |                    |  | 2,256,610         | 1,880,485         |         |
| Workmens-compensation - (see under employee related cost) |                    |  |                   | 0                 | 341,027 |
| <b>Total</b>                                              |                    |  | <b>36,637,643</b> | <b>35,285,721</b> |         |
|                                                           |                    |  |                   |                   |         |
| <b>28. Other Income</b>                                   |                    |  |                   |                   |         |
| Capital Contribution:                                     | Water              |  | 597,419           | 424,641           |         |

|                                                                                                                                          |                  |                       |                       |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------|-----------------------|
|                                                                                                                                          | Sew<br>erag<br>e | 457,90<br>0           | 547,26<br>5           |
| Building plans                                                                                                                           |                  | 397,95<br>6           | 461,06<br>2           |
| Insurance Claims                                                                                                                         |                  | 1,597,<br>271         | 739,02<br>4           |
| Other                                                                                                                                    |                  | 1,895,<br>157         | 1,123,7<br>20         |
| Roadworthy Certificates                                                                                                                  |                  | 220,46<br>1           | 227,95<br>3           |
| Services Electricians                                                                                                                    |                  | 137,19<br>1           | 225,19<br>7           |
| <b>Total</b>                                                                                                                             |                  | <b>5,303,<br/>355</b> | <b>3,748,8<br/>62</b> |
|                                                                                                                                          |                  |                       |                       |
| <b>29. Cash and Cash Equivalents</b>                                                                                                     |                  |                       |                       |
|                                                                                                                                          |                  |                       |                       |
| Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position: |                  |                       |                       |
|                                                                                                                                          |                  |                       |                       |
| Bank and Cash on Hand                                                                                                                    |                  | 4,190                 | 3,491,9<br>37         |
| Call investment deposits                                                                                                                 |                  | 93,556<br>,792        | 41,505,<br>153        |
| Bank overdraft                                                                                                                           |                  | -<br>5,225,<br>815    | 0                     |

|                                             |  |  |                   |                   |             |
|---------------------------------------------|--|--|-------------------|-------------------|-------------|
| <b>Total</b>                                |  |  | <b>88,335,167</b> | <b>44,997,090</b> |             |
|                                             |  |  |                   |                   |             |
| <b>30. Cash Generated by operations</b>     |  |  |                   |                   |             |
| Surplus for the year                        |  |  | 22,418,561        | 25,615,546        |             |
| Adjustments for:-                           |  |  |                   |                   |             |
| Adjustments previous year                   |  |  | 1,993,598         | 284,011           |             |
| Depreciation                                |  |  | 5,281,413         | 4,360,074         |             |
| Gain on disposal of assets                  |  |  | -3,577,603        | -14,302,297       |             |
| Contribution to Capital Replacement Reserve |  |  |                   | -16,206,556       | -15,933,554 |
| Contribution to (from) Insurance Reserve    |  |  |                   | -3,859,353        | -7,997,390  |
| Contribution to Housing Reserve             |  |  | 30,672            | -37,296           |             |
| Contribution to Trust Funds                 |  |  | -13,537           | 0                 |             |
| Contribution to Capital Grant Reserve       |  |  |                   | -3,946,775        | -2,904,321  |
| Contribution to provisions - current        |  |  | 610,599           | -3,154,2          |             |

|                                                          |  |           |                   |                   |
|----------------------------------------------------------|--|-----------|-------------------|-------------------|
|                                                          |  |           | 38                |                   |
| Contribution to bad debt provision                       |  | 5,081,633 | 5,837,582         |                   |
| Investment & Debtors Interest                            |  | 7,146,657 | 4,528,386         |                   |
| Interest paid                                            |  | 3,064,696 | 3,120,290         |                   |
| <b>Operating surplus before working capital changes:</b> |  |           | <b>-6,432,575</b> | <b>-9,639,979</b> |
| <b>30. Cash Generated by operations - (continued)</b>    |  |           |                   |                   |
| (Increase)/Decrease in inventories                       |  | 310,476   | 289,546           |                   |
| (Increase)/Decrease in debtors                           |  | 3,425,135 | 695,569           |                   |
| (Increase)/Decrease in other debtors                     |  |           | 909,482           | 7,001,124         |
| (Decrease)/Increase in conditional grants and receipts   |  |           | 21,844,027        | 6,141,108         |
| Increase in creditors                                    |  | 6,420,727 | 3,944,817         |                   |
| (Increase)/Decrease in VAT                               |  | 1,939,260 | 402,675           |                   |

|                                                                                                                                                      |  |  |            |   |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|------------|---|-----------|
|                                                                                                                                                      |  |  | 23,917,060 | - | 1,025,004 |
| <b>Cash generated by operations</b>                                                                                                                  |  |  |            |   |           |
|                                                                                                                                                      |  |  |            |   |           |
|                                                                                                                                                      |  |  |            |   |           |
| <b>31. Non-compliance with section 111 of the Municipal Finance Management Act</b>                                                                   |  |  |            |   |           |
| In terms of the MFMA, 2003 and section 36 of the Supply Chain Management regulations promulgated under the Act, the                                  |  |  |            |   |           |
| accounting officer is allowed to dispense with the official procurement process in emergency situations and in/other exceptional                     |  |  |            |   |           |
| cases where it is impossible to adhere to the regulations.                                                                                           |  |  |            |   |           |
|                                                                                                                                                      |  |  |            |   |           |
| <b>32. Additional Disclosures in terms of Municipal Finance Management Act</b>                                                                       |  |  |            |   |           |
| <b>Councillor's arrear consumer accounts</b>                                                                                                         |  |  |            |   |           |
| There were no Councillors accounts in arrears for more than 90 days as at 30 June 2007.                                                              |  |  |            |   |           |
|                                                                                                                                                      |  |  |            |   |           |
| <b>Total Councillor Arrear Consumer Accounts</b>                                                                                                     |  |  |            | 0 | 0         |
|                                                                                                                                                      |  |  |            |   |           |
| <b>33. After balance sheet events</b>                                                                                                                |  |  |            |   |           |
|                                                                                                                                                      |  |  |            |   |           |
| A senior official of the Municipality has been suspended for the alledged contravention of the Preferential Procurement Policy. A forensic audit has |  |  |            |   |           |
| been performed, and the investigation is on-going. At this stage no disciplinary action has been taken.                                              |  |  |            |   |           |

A main water supply pipe in Riversdale burst under the N2 national road resulting in approximately R200 000 in

damages. The water main has subsequently been repaired.

The attention of the internal auditor was directed to an alleged fraudulent claim for travelling cost submitted by a councillor. This was

referred to the speaker for investigation i.t.o. the code of conduct for councillors.

#### 34. Retirement benefit information

The following table reflects the information of the defined benefit retirement, pension and provident funds to which councillors and employees

belong. The relevant law requires every fund to do an actuarial valuation every three years.

|                                    | Actuarial Valuation done every: | Last Accrued Valuation | Total Assets R,000 | Total Liabilities R,000 | Contributing Members |
|------------------------------------|---------------------------------|------------------------|--------------------|-------------------------|----------------------|
| Municipal Councillors Pension Fund | Year                            | June 2005              | 691,890            | 691,890                 | 11                   |
| Cape Joint Retirement Fund         | Year                            | June 2006              | 5,770,152          | 5,770,152               | 118                  |
| Cape Joint Pension Fund            | Year                            | June 2006              | 3,475,653          | 3,475,653               | 26                   |

|                      |            |              |               |               |     |
|----------------------|------------|--------------|---------------|---------------|-----|
| SAMVU Provident Fund | 3<br>Years | June<br>2006 | 2,212,<br>928 | 2,212,<br>928 | 63  |
| SALA Pension Fund    | Year       | June<br>2005 | 3,306,<br>300 | 3,306,<br>300 | 178 |

An amount of R4,3 million (2006:R3,9 million) was contributed by Council towards councillor and employee retirement funding. These contributions have been expensed.

### 35. Capital Commitments

Commitments in respect of capital expenditure:

|                              |                        |               |
|------------------------------|------------------------|---------------|
| Approved and contracted for: | Infrast<br>ructur<br>e | 3,200<br>,000 |
|------------------------------|------------------------|---------------|

|                                      |                        |                |
|--------------------------------------|------------------------|----------------|
| Approved but not yet contracted for: | Infrast<br>ructur<br>e | 60,39<br>1,235 |
|--------------------------------------|------------------------|----------------|

|              |  |                        |
|--------------|--|------------------------|
| <b>Total</b> |  | <b>63,591,<br/>235</b> |
|--------------|--|------------------------|

### 35. Capital Commitments - (continued)

This expenditure will be financed from:

|                              |                |
|------------------------------|----------------|
| District Municipality grants | 11,85<br>0,000 |
| Public Contribution          | 3,000,0        |

|                                                                                        |                                  |  |  |              |                   |           |
|----------------------------------------------------------------------------------------|----------------------------------|--|--|--------------|-------------------|-----------|
|                                                                                        |                                  |  |  |              | 00                |           |
|                                                                                        |                                  |  |  |              | 12,676,667        |           |
|                                                                                        | C.R.R.                           |  |  |              |                   |           |
|                                                                                        | National Grants                  |  |  |              | 22,943,900        |           |
|                                                                                        | Provincial Administration grants |  |  |              |                   | 3,630,668 |
|                                                                                        | External loans                   |  |  |              | 9,490,000         |           |
| <b>Total</b>                                                                           |                                  |  |  |              | <b>63,591,235</b> |           |
|                                                                                        |                                  |  |  |              |                   |           |
| <b>36. Related Party Transaction</b>                                                   |                                  |  |  |              |                   |           |
|                                                                                        |                                  |  |  |              |                   |           |
| To the best of our knowledge there were no related party transactions during the year. |                                  |  |  |              |                   |           |
|                                                                                        |                                  |  |  |              |                   |           |
|                                                                                        |                                  |  |  |              |                   |           |
| <b>37. Guarantees</b>                                                                  |                                  |  |  |              |                   |           |
| Guarantees were issued in favour of Eskom to the amount of R70 200.                    |                                  |  |  |              |                   |           |
|                                                                                        |                                  |  |  |              |                   |           |
| <b>38. Budget Reconciliation</b>                                                       |                                  |  |  |              |                   |           |
|                                                                                        |                                  |  |  |              |                   |           |
|                                                                                        |                                  |  |  |              |                   |           |
|                                                                                        |                                  |  |  | Appr. Budget | Approved          | Amended   |

|                                             | 1/7/2006    | Amendments | Budget      |        |
|---------------------------------------------|-------------|------------|-------------|--------|
|                                             |             |            |             |        |
| Expenditure                                 | 117,933,859 | 26,455,761 | 144,389,620 |        |
|                                             |             |            |             |        |
| Revenue                                     | 129,940,350 | 23,934,450 | 153,874,800 |        |
|                                             |             |            |             |        |
| <b>Changes in Assets</b>                    | -           |            |             |        |
|                                             |             | -          |             |        |
| Transfer to CRR                             | 7,840,000   | 585,969    | 7,254,031   |        |
| Capital Grants used for PPE                 | 5,438,500   | 2,886,831  | 8,325,331   |        |
| Donate/Contributed PPE                      | 700,000     | 0          | 700,000     |        |
| Contributions to Insurance Reserve          | 200,000     |            | 200,000     |        |
|                                             |             | -          | -           |        |
| Insurance Reserve                           | 0           | 4,822,782  | 4,822,782   |        |
| Transfer to/(from) Housing Development Fund |             | 27,644     |             | 27,644 |
| Offset Depreciation CRR                     | -           |            | -           |        |

|                                        |               |             |               |         |
|----------------------------------------|---------------|-------------|---------------|---------|
|                                        | 1,493,044     |             | 1,493,044     |         |
| Offset Depreciation Grants & Subsidies |               | 709,995     |               | 709,995 |
| <b>Total</b>                           | <b>-3,386</b> | <b>-609</b> | <b>-3,995</b> |         |
|                                        |               |             |               |         |
|                                        |               |             |               |         |
| <b>39. Corrections prior years</b>     |               |             |               |         |
|                                        |               |             | -             |         |
| Accumulated Surplus                    |               |             | 1,315,352     |         |
|                                        |               |             | -             |         |
| Vat                                    |               |             | 1,655,466     |         |
| Rental of facilities                   |               |             | 19,256        |         |
| Service Charge reversed                |               |             | 702,215       |         |
| Employee related cost                  |               |             | -19,658       |         |
| Operating Grants                       |               |             | -68,826       |         |
| Property Rates Reversed                |               |             | 123,674       |         |
| Interest                               |               |             | 31,807        |         |
| Other Income                           |               |             | 157,646       |         |
| Gains on disposal                      |               |             | -684          |         |

|                                     |  |                  |                  |
|-------------------------------------|--|------------------|------------------|
| General Expenses                    |  |                  | 31,790           |
|                                     |  |                  | -                |
| <b>Total correction prior years</b> |  |                  | <b>1,993,598</b> |
|                                     |  |                  |                  |
| <b>40. Trust Funds</b>              |  |                  |                  |
| Nature Development - Stilbaai       |  | 1,080,276        | 1,068,139        |
| Elsje Koorts Tuberculosis Fund      |  | 134,595          | 133,195          |
| <b>Total Trust Funds</b>            |  | <b>1,214,871</b> | <b>1,201,334</b> |

## Appendix A

### SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

| EXTERNAL LOANS       |                  | Interest Rate | Loan Number | Redeemable | Balance at 30-Jun-06 | Received during the period | Redeemed written off during the period | Balance at 30-Jun-07 | Carrying Value of P.P & E |
|----------------------|------------------|---------------|-------------|------------|----------------------|----------------------------|----------------------------------------|----------------------|---------------------------|
|                      |                  |               |             |            | R                    | R                          | R                                      | R                    | R                         |
| <b>Annuity Loans</b> |                  |               |             |            |                      |                            |                                        |                      |                           |
|                      | Development Bank | 17.02%        | 11850       | 2007/12    | 7,578                | 0                          | -4,845                                 | 2,733                | 18,310                    |
|                      | Development Bank | 17.02%        | 11851       | 2005/12    | 0                    | 0                          |                                        | 0                    | 4,570                     |
|                      | Development Bank | 17.02%        | 11852       | 2005/12    | 0                    | 0                          |                                        | 0                    | 0                         |
|                      | Development Bank | 15.56%        | 11853       | 2006/06    | 0                    | 0                          |                                        | 0                    | 0                         |
|                      | Development Bank | 15.56%        | 11854       | 2008/06    | 6,201                | 0                          | -2,869                                 | 3,332                | 8,797                     |
|                      | Development Bank | 16.06%        | 11855       | 2008/06    | 25,187               | 0                          | -11,624                                | 13,563               | 35,397                    |
|                      | Development Bank | 16.06%        | 11856       | 2008/06    | 3,149                | 0                          | -1,453                                 | 1,696                | 6,283                     |
|                      | Development Bank | 16.06%        | 11857       | 2008/06    | 14,167               | 0                          | -6,539                                 | 7,628                | 28,274                    |
|                      | Development Bank | 15.56%        | 11858       | 2006/06    | 0                    | 0                          |                                        | 0                    | 0                         |
|                      | Development Bank | 17.62%        | 12854       | 2006/12    | 29,285               | 0                          | -29,285                                | 0                    |                           |

|                             |                  |        |        |         |                   |                   |                   |                   |                   |
|-----------------------------|------------------|--------|--------|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                             | Development Bank | 16.12% | 12855  | 2008/06 | 133,863           | 0                 | -61,762           | 72,101            | 23,803            |
|                             | Development Bank | 14.32% | 11225  | 2005/12 | 0                 | 0                 |                   | 0                 | 0                 |
|                             | Development Bank | 14.52% | 11224  | 2008/12 | 84,108            | 0                 | -30,182           | 53,926            | 0                 |
|                             | Development Bank | 17.25% | 11223  | 2006/12 | 9,883             | 0                 | -9,883            | 0                 | 0                 |
|                             | Development Bank | 11.36% | 101222 | 2013/12 | 15,835,599        | 0                 | -1,434,307        | 14,401,292        | 9,928,915         |
|                             | Development Bank | 11.40% | 101432 | 2014/12 | 5,189,387         | 0                 | -426,333          | 4,763,054         | 3,377,268         |
|                             | Development Bank | 9.38%  | 102004 | 2015    | 5,839,606         | 0                 | -215872           | 5,623,734         | 5,316,385         |
|                             | Development Bank | 9.33%  | 102770 | 2017    |                   | 10,000,000        |                   | 10,000,000        | 10,000,000        |
| <b>Total External Loans</b> |                  |        |        |         | <b>27,178,013</b> | <b>10,000,000</b> | <b>-2,234,954</b> | <b>34,943,059</b> | <b>28,748,002</b> |

## Appendix B

### ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNIE 2007

|                       | Cost           |               |                           |               |                  | Accumulated Depreciation |               |               |              |                  |                         |
|-----------------------|----------------|---------------|---------------------------|---------------|------------------|--------------------------|---------------|---------------|--------------|------------------|-------------------------|
|                       | Openin<br>g    | Addition<br>s | Under<br>Construc<br>tion | Dispos<br>als | Closing          | Openin<br>g              | Additio<br>ns | Dispos<br>als | Closing      | Carryin<br>g     | Budget<br>Addition<br>s |
|                       | Balance<br>R   | R             | R                         | R             | Balance<br>R     | Balance<br>R             | R             | R             | Balance<br>R | Value<br>R       | s<br>R                  |
|                       |                |               |                           |               |                  |                          |               |               |              |                  |                         |
|                       |                |               |                           |               |                  |                          |               |               |              |                  |                         |
| <b>Land</b>           |                |               |                           |               |                  |                          |               |               |              |                  |                         |
| Land                  | 954,916        | 76,316        | 0                         | 0             | 1,031,232        | 0                        | 0             | 0             | 0            | 1,031,232        | 137,000                 |
|                       | <b>954,916</b> | <b>76,316</b> | <b>0</b>                  | <b>0</b>      | <b>1,031,232</b> | <b>0</b>                 | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>1,031,232</b> | <b>137,000</b>          |
| <b>Infrastructure</b> | 3              |               |                           |               |                  |                          |               |               |              |                  |                         |
| <b>Sewerage</b>       |                |               |                           |               |                  |                          |               |               |              |                  |                         |
| Purification Works    | 14,941,338     | 5,577,802     |                           |               | 20,519,140       | 3,549,721                | 747,067       |               | 4,296,788    | 16,222,352       | 6,659,444               |
| Outfall Sewerage      | 5,860,507      | 351,904       |                           |               | 6,212,411        | 598,095                  | 306,015       |               | 904,110      | 5,308,301        | 384,870                 |
| Sewerage Pumps        | 169,921        | 42,330        |                           |               | 212,251          | 12,744                   | 12,807        |               | 25,551       | 186,700          | 47,600                  |
| <b>Water</b>          |                |               |                           |               |                  |                          |               |               |              |                  |                         |
| Meters                | 771,546        | 328,310       |                           |               | 1,099,856        | 226,128                  | 69,603        |               | 295,731      | 804,125          | 334,300                 |

|                             |                   |                   |               |          |                   |                   |                  |          |                   |                   |  |                   |
|-----------------------------|-------------------|-------------------|---------------|----------|-------------------|-------------------|------------------|----------|-------------------|-------------------|--|-------------------|
| Mains                       | 13,061,200        | 111,175           |               |          | 13,172,375        | 2,884,950         | 653,060          |          | 3,538,010         | 9,634,365         |  | 169,000           |
| Reticulation                | 1,189,643         | 89,529            |               |          | 1,279,172         | 291,513           | 61,480           |          | 352,993           | 926,179           |  | 94,630            |
| Reservoirs/Tanks            | 3,252,084         | 300,000           |               |          | 3,552,084         | 224,319           | 162,604          |          | 386,923           | 3,165,161         |  | 3,206,000         |
| <b>Electricity</b>          |                   |                   |               |          |                   |                   |                  |          |                   |                   |  |                   |
| Power Stations              | 49,322            | 402,152           |               |          | 451,474           | 4,041             | 1,644            |          | 5,685             | 445,789           |  | 420,000           |
| Transformer                 |                   |                   |               |          |                   |                   |                  |          |                   |                   |  |                   |
| Kiosks                      | 130,750           | 0                 |               |          | 130,750           | 47,582            | 4,358            |          | 51,940            | 78,810            |  | 0                 |
| Meters                      | 135,693           | 0                 |               |          | 135,693           | 13,993            | 6,785            |          | 20,778            | 114,915           |  | 0                 |
| Mains                       | 8,010,320         | 1,682,368         | 25,320        |          | 9,718,008         | 2,167,586         | 382,929          |          | 2,550,515         | 7,167,493         |  | 2,947,661         |
| <b>Roads and Stormwater</b> |                   |                   |               |          |                   |                   |                  |          |                   |                   |  |                   |
| Motorways                   | 10,450,263        | 3,138,917         | 52,813        |          | 13,641,993        | 1,575,996         | 692,684          |          | 2,268,680         | 11,373,313        |  | 4,568,125         |
| Other Roads                 | 453,544           | 0                 |               |          | 453,544           | 29,723            | 45,354           |          | 75,077            | 378,467           |  | 0                 |
| Street Lightning            | 385,686           | 49,413            |               |          | 435,099           | 45,662            | 15,427           |          | 61,089            | 374,010           |  | 180,000           |
| Stormwater Drains           | 4,486,112         | 1,084,879         |               |          | 5,570,991         | 246,673           | 224,306          |          | 470,979           | 5,100,012         |  | 1,220,000         |
| Overhead Bridges            | 28,386            | 155,185           |               |          | 183,571           | 2,838             | 946              |          | 3,784             | 179,787           |  | 232,000           |
| Parking Areas               | 491,418           | 35,019            |               |          | 526,437           | 21,895            | 24,571           |          | 46,466            | 479,971           |  | 100,000           |
| Footways                    | 784,278           | 2,265,175         |               |          | 3,049,453         | 100,093           | 67,572           |          | 167,665           | 2,881,788         |  | 2,466,077         |
|                             | <b>64,652,011</b> | <b>15,614,158</b> | <b>78,133</b> | <b>0</b> | <b>80,344,302</b> | <b>12,043,552</b> | <b>3,479,212</b> | <b>0</b> | <b>15,522,764</b> | <b>64,821,538</b> |  | <b>23,029,707</b> |
| <b>Community</b>            |                   |                   |               |          |                   |                   |                  |          |                   |                   |  |                   |

| Assets              |                  |                |          |          |                   |                |                |          |                  |                  |  |                   |
|---------------------|------------------|----------------|----------|----------|-------------------|----------------|----------------|----------|------------------|------------------|--|-------------------|
| Bowling Greens      | 6,000            | 0              |          |          | 6,000             | 901            | 300            |          | 1,201            | 4,799            |  | 0                 |
| Tennis Courts       | 67,763           | 0              |          |          | 67,763            | 11,303         | 3,388          |          | 14,691           | 53,072           |  | 0                 |
| Swimming Pools      | 546,689          | 104,850        |          |          | 651,539           | 90,038         | 27,334         |          | 117,372          | 534,167          |  | 114,130           |
| Golf Courses        | 12,000           | 0              |          |          | 12,000            | 1,800          | 600            |          | 2,400            | 9,600            |  | 0                 |
| Outdoor Facilities  | 1,832,423        | 94,430         |          |          | 1,926,853         | 205,275        | 90,799         |          | 296,074          | 1,630,779        |  | 100,000           |
| Care Centres        | 138,156          | 0              |          |          | 138,156           | 14,681         | 4,605          |          | 19,286           | 118,870          |  | 0                 |
| Cemeteries          | 229,429          | 13,208         |          |          | 242,637           | 17,215         | 7,648          |          | 24,863           | 217,774          |  | 15,000            |
| Community Centres   | 2,737,891        | 113,703        |          |          | 2,851,594         | 101,734        | 91,263         |          | 192,997          | 2,658,597        |  | 303,536           |
| Parks               | 727,492          | 0              |          |          | 727,492           | 55,470         | 24,250         |          | 79,720           | 647,772          |  | 0                 |
| Public Conveniences | 2,501,269        | 333,672        |          |          | 2,834,941         | 75,974         | 83,376         |          | 159,350          | 2,675,591        |  | 350,000           |
| Fencing             | 641,537          | 189,024        |          |          | 830,561           | 237,033        | 156,612        |          | 393,645          | 436,916          |  | 203,000           |
|                     | <b>9,440,649</b> | <b>848,886</b> | <b>0</b> | <b>0</b> | <b>10,289,535</b> | <b>811,424</b> | <b>490,175</b> | <b>0</b> | <b>1,301,599</b> | <b>8,987,936</b> |  | <b>1,085,666</b>  |
| Housing             |                  |                |          |          |                   |                |                |          |                  |                  |  |                   |
| Housing             | 0                | 0              | 0        | 0        | 0                 | 0              | 0              | 0        | 0                | 0                |  | 11,702,000        |
|                     | <b>0</b>         | <b>0</b>       | <b>0</b> | <b>0</b> | <b>0</b>          | <b>0</b>       | <b>0</b>       | <b>0</b> | <b>0</b>         | <b>0</b>         |  | <b>11,702,000</b> |
| Heritage Assets     |                  |                |          |          |                   |                |                |          |                  |                  |  |                   |
| Mayors Chain        | 5,500            | 0              | 0        | 0        | 5,500             | 0              | 0              | 0        | 0                | 5,500            |  | 0                 |

|                              |           |           |   |   |           |         |         |   |         |           |  |           |
|------------------------------|-----------|-----------|---|---|-----------|---------|---------|---|---------|-----------|--|-----------|
|                              | 5,500     | 0         | 0 | 0 | 5,500     | 0       | 0       | 0 | 0       | 5,500     |  | 0         |
| <b>Other Assets</b>          |           |           |   |   |           |         |         |   |         |           |  |           |
| <b>Buildings</b>             |           |           |   |   |           |         |         |   |         |           |  |           |
| Caravan Parks                | 1,607,555 | 818,342   |   |   | 2,425,897 | 184,796 | 53,585  |   | 238,381 | 2,187,516 |  | 1,098,000 |
| Housing - Official           | 254,054   | 0         |   |   | 254,054   | 120,482 | 8,885   |   | 129,367 | 124,687   |  | 0         |
| Emergency Equipment          | 125,914   | 39,693    |   |   | 165,607   | 3,688   | 4,197   |   | 7,885   | 157,722   |  | 40,000    |
| Office Buildings             | 3,241,021 | 1,832,949 |   |   | 5,073,970 | 352,628 | 108,034 |   | 460,662 | 4,613,308 |  | 2,091,400 |
| Tip Sites                    | 787,869   | 35,695    |   |   | 823,564   | 72,787  | 49,214  |   | 122,001 | 701,563   |  | 693,000   |
| Transport Facilities         | 813,073   | 0         |   |   | 813,073   | 49,323  | 27,102  |   | 76,425  | 736,648   |  | 0         |
| Workshops                    | 272,573   | 0         |   |   | 272,573   | 13,734  | 9,086   |   | 22,820  | 249,753   |  | 0         |
| <b>Plant &amp; Equipment</b> |           |           |   |   |           |         |         |   |         |           |  |           |
| Graders                      | 811,743   | 0         |   |   | 811,743   | 125,745 | 81,174  |   | 206,919 | 604,824   |  | 0         |
| Tractors                     | 30,000    | 0         |   |   | 30,000    | 14,153  | 3,000   |   | 17,153  | 12,847    |  | 0         |
| Boats                        |           | 34,035    |   |   | 34,035    |         | 1,191   |   | 1,191   | 32,844    |  | 20,000    |
| Lawnmowers                   | 256,557   | 21,925    |   |   | 278,482   | 228,761 | 30,328  |   | 259,089 | 19,393    |  | 31,900    |
| Compressors                  | 412,000   | 0         |   |   | 412,000   | 408,100 | 2,400   |   | 410,500 | 1,500     |  | 0         |
| Other                        | 565,546   | 448,676   |   |   | 1,014,222 | 226,459 | 141,159 |   | 367,618 | 646,604   |  | 487,287   |
| Irrigation Systems           | 79,028    | 13,158    |   |   | 92,186    | 12,194  | 5,269   |   | 17,463  | 74,723    |  | 15,000    |

|                         |                   |                   |               |          |                    |                   |                  |          |                   |                   |                   |
|-------------------------|-------------------|-------------------|---------------|----------|--------------------|-------------------|------------------|----------|-------------------|-------------------|-------------------|
| <b>Motor Vehicles</b>   |                   |                   |               |          |                    |                   |                  |          |                   |                   |                   |
| Sedans                  | 295,609           | 0                 |               |          | 295,609            | 106,671           | 59,122           |          | 165,793           | 129,816           | 0                 |
| Motor Cycles            | 55,788            | 0                 |               |          | 55,788             | 55,788            | 0                |          | 55,788            | 0                 | 0                 |
| Trucks/LDV's            | 2,096,854         | 816,690           |               |          | 2,913,544          | 1,025,586         | 487,544          |          | 1,513,130         | 1,400,414         | 854,000           |
| <b>Office Equipment</b> |                   |                   |               |          |                    |                   |                  |          |                   |                   |                   |
| Computers               | 767,128           | 0                 |               |          | 767,128            | 369,420           | 201,937          |          | 571,357           | 195,771           | 0                 |
| Office Machines         | 412,836           | 0                 |               |          | 412,836            | 352,998           | 31,633           |          | 384,631           | 28,205            | 0                 |
| Furniture               | 36,072            | 0                 |               |          | 36,072             | 11,954            | 7,167            |          | 19,121            | 16,951            | 0                 |
|                         | <b>12,921,220</b> | <b>4,061,164</b>  | <b>0</b>      | <b>0</b> | <b>16,982,384</b>  | <b>3,735,267</b>  | <b>1,312,027</b> | <b>0</b> | <b>5,047,294</b>  | <b>11,935,090</b> | <b>5,330,587</b>  |
|                         |                   |                   |               |          |                    |                   |                  |          |                   |                   |                   |
| <b>TOTAL</b>            | <b>87,974,296</b> | <b>20,600,524</b> | <b>78,133</b> | <b>0</b> | <b>108,652,953</b> | <b>16,590,243</b> | <b>5,281,414</b> | <b>0</b> | <b>21,871,657</b> | <b>86,781,296</b> | <b>41,284,960</b> |

## Appendix C

### SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2007

|                                 | Cost                    |               |                           |               |                    | Accumulated Depreciation |               |               |                        | Carryin<br>g |
|---------------------------------|-------------------------|---------------|---------------------------|---------------|--------------------|--------------------------|---------------|---------------|------------------------|--------------|
|                                 | Openin<br>g Balanc<br>e | Additio<br>ns | Under<br>Construct<br>ion | Dispos<br>als | Closing<br>Balance | Openin<br>g Balanc<br>e  | Additio<br>ns | Dispos<br>als | Closing<br>Balanc<br>e |              |
|                                 | R                       | R             | R                         | R             | R                  | R                        | R             | R             | R                      | Value        |
|                                 | R                       | R             | R                         | R             | R                  | R                        | R             | R             | R                      | R            |
| Executive & Council             | 89,634                  | 0             | 0                         | 0             | 89,634             | 12,018                   | 9,785         | 0             | 21,803                 | 67,831       |
| Finance & Admin                 | 10,060,881              | 2,381,780     | 0                         | 0             | 12,442,661         | 1,210,921                | 523,980       | 0             | 1,734,901              | 10,707,760   |
| Health                          | 15,967                  | 0             | 0                         | 0             | 15,967             | 10,567                   | 3,406         | 0             | 13,973                 | 1,994        |
| Community & Social Services     | 2,160,450               | 179,103       | 0                         | 0             | 2,339,553          | 154,867                  | 87,701        | 0             | 242,568                | 2,096,985    |
| Public Safety                   | 1,263,268               | 39,693        | 0                         | 0             | 1,302,961          | 381,899                  | 123,445       | 0             | 505,344                | 797,617      |
| Sport & Recreation              | 5,072,756               | 975,128       | 0                         | 0             | 6,047,884          | 908,798                  | 256,261       | 0             | 1,165,059              | 4,882,825    |
| Environmental Protection        | 0                       | 34,035        | 0                         | 0             | 34,035             | 0                        | 1,191         | 0             | 1,191                  | 32,844       |
| Road Transport                  | 18,382,317              | 6,992,443     | 52,813                    | 0             | 25,427,573         | 2,783,675                | 1,329,021     | 0             | 4,112,696              | 21,314,877   |
| Waste Water Management/Sewerage | 2,212,088               | 6,193,686     | 0                         | 0             | 8,405,774          | 726,043                  | 1,107,540     | 0             | 1,833,583              | 6,572,191    |
| Waste Management/Solid Waste    | 21,095,597              | 84,555        | 0                         | 0             | 21,180,152         | 4,216,319                | 261,323       | 0             | 4,477,642              | 16,702,510   |
| Water                           | 18,803,                 | 1,023,6       | 0                         | 0             | 19,826,7           | 3,801,1                  | 1,053,9       | 0             | 4,855,1                | 14,971,      |

|              |                   |                   |               |          |                    |                   |                  |          |                   |                   |
|--------------|-------------------|-------------------|---------------|----------|--------------------|-------------------|------------------|----------|-------------------|-------------------|
|              | 013               | 97                |               |          | 10                 | 58                | 75               |          | 33                | 577               |
| Electricity  | 8,818,325         | 2,696,404         | 25,320        | 0        | 11,540,049         | 2,383,978         | 523,786          | 0        | 2,907,764         | 8,632,285         |
| <b>TOTAL</b> | <b>87,974,296</b> | <b>20,600,524</b> | <b>78,133</b> | <b>0</b> | <b>108,652,953</b> | <b>16,590,243</b> | <b>5,281,414</b> | <b>0</b> | <b>21,871,657</b> | <b>86,781,296</b> |
|              |                   |                   |               |          |                    |                   |                  |          |                   |                   |

## Appendix D

### SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

| 2006          |                    |                   |                                 | 2007          |                    |                   |
|---------------|--------------------|-------------------|---------------------------------|---------------|--------------------|-------------------|
| Actual Income | Actual Expenditure | Surplus/(Deficit) |                                 | Actual Income | Actual Expenditure | Surplus/(Deficit) |
| R             | R                  | R                 |                                 | R             | R                  | R                 |
|               |                    |                   |                                 |               |                    |                   |
| 31,136,063    | 29,718,965         | 1,417,098         | Executive & Council             | 11,382,135    | 14,400,319         | -3,018,184        |
| 36,308,388    | 18,500,961         | 17,807,427        | Finance & Admin                 | 42,401,446    | 14,547,272         | 27,854,174        |
| 15,870,551    | 277,109            | 15,593,442        | Planning & Development          | 5,368,466     | 3,365,024          | 2,003,441         |
| 1,018,900     | 1,018,900          | 0                 | Health                          | 582,986       | 583,409            | -423              |
| 758,858       | 3,121,282          | -2,362,424        | Community & Social Services     | 839,007       | 3,275,027          | -2,436,020        |
| 118,469       | 145,045            | -26,576           | Housing                         | 12,829,253    | 12,859,926         | -30,672           |
| 3,389,711     | 4,097,462          | -707,751          | Public Safety                   | 2,956,075     | 3,773,816          | -817,741          |
| 0             | 0                  | 0                 | Environmental Protection        | 80,825        | 538,557            | -457,731          |
| 4,543,542     | 6,083,395          | -1,539,853        | Sport & Recreation              | 5,750,425     | 6,690,114          | -939,689          |
| 620,473       | 12,946,913         | -12,326,440       | Road Transport                  | 3,005,023     | 17,066,070         | -14,061,047       |
| 7,543,724     | 6,374,611          | 1,169,113         | Waste Water Management/Sewerage | 11,884,021    | 7,289,527          | 4,594,494         |
| 5,415,054     | 4,327,322          | 1,087,732         | Waste Management/Solid Waste    | 5,970,815     | 4,506,699          | 1,464,115         |
| 11,223,831    | 9,214,313          | 2,009,518         | Water                           | 14,720,920    | 12,831,690         | 1,889,230         |
| 31,799,827    | 28,305,568         | 3,494,259         | Electricity                     | 36,687,259    | 29,745,915         | 6,941,344         |

|             |             |            |                                 |                    |                    |                   |
|-------------|-------------|------------|---------------------------------|--------------------|--------------------|-------------------|
| 0           | 0           | 0          | Hessequa Tourism                | 55,077             | 621,807            | -566,730          |
| 149,747,391 | 124,131,846 | 25,615,545 | <b>Sub total</b>                | <b>154,513,734</b> | <b>132,095,173</b> | <b>22,418,561</b> |
|             |             |            |                                 |                    |                    |                   |
| -9,847,299  | -9,847,299  | 0          | Less inter-departmental charges | -10,488,428        | -10,488,428        | 0                 |
|             |             |            |                                 |                    |                    |                   |
| 139,900,092 | 114,284,547 | 25,615,545 | <b>Total</b>                    | <b>144,025,305</b> | <b>121,606,745</b> | <b>22,418,561</b> |
|             |             |            |                                 |                    |                    |                   |

**APPENDIX E (1)**

**ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007**

|                                        | 2007<br>Actual<br>R | 2007<br>Budget<br>R | 2007<br>Variance<br>R | 2007<br>Variance<br>% | Explanation of Significant Variances<br>greater than 5% versus Budget                             |
|----------------------------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------------------------------------------------------------------------------------|
| <b>Revenue</b>                         |                     |                     |                       |                       |                                                                                                   |
| Property Rates                         | 26,193,156          | 26,321,500          | -128,344              | -0.49                 |                                                                                                   |
| Service charges                        | 63,133,914          | 61,243,775          | 1,890,139             | 3.09                  |                                                                                                   |
| Rental of facilities and equipment     | 2,619,963           | 2,394,683           | 225,280               | 9.41                  | More income generated from rental of chalets and municipal ground                                 |
| Interest earned - external investments | 5,008,395           | 2,800,000           | 2,208,395             | 78.87                 | More cash available for investment, then was anticipated, and more favourable interest rates.     |
| Interest earned - outstanding debtors  | 2,138,262           | 2,131,500           | 6,762                 | 0.32                  |                                                                                                   |
| Fines                                  | 995,038             | 947,450             | 47,588                | 5.02                  |                                                                                                   |
| Licences and permits                   | 144,784             | 93,000              | 51,784                | 55.68                 | More income generated from boat licenses and permits than what was anticipated.                   |
| Income for agency services             | 1,099,042           | 1,318,200           | -219,158              | -16.63                | Decline in vehicle registrations                                                                  |
| Government grants and subsidies        | 33,611,793          | 39,730,579          | -6,118,786            | -15.40                | Not all conditions have been met.                                                                 |
| Other Income                           | 5,503,355           | 2,103,101           | 3,400,254             | 161.68                | Capital contributions for water and sewerage not budget for.<br>Insurance claim not budgeted for. |
| Surplus on sale of assets              | 3,577,603           | 4,500,000           | -922,397              | -20.50                | Budgeted figure for sale of land not realised.                                                    |

|                                  |                   |                  |                   |               |                                                                                                                       |
|----------------------------------|-------------------|------------------|-------------------|---------------|-----------------------------------------------------------------------------------------------------------------------|
| Total Income                     | 144,025,305       | 143,583,788      | 441,517           | 0.31          |                                                                                                                       |
| <b>Expenditure</b>               |                   |                  |                   |               |                                                                                                                       |
| Employee related costs           | 40,719,141        | 44,636,707       | -3,917,566        | -8.78         | Vacant post budgeted for, but not filled.                                                                             |
| Rumuneration of councillors      | 3,176,073         | 3,715,688        | -539,615          | -14.52        | Budgeted for an 8% increase. The actual increase wat 5.47%.                                                           |
| Working Capital Reserve          | 1,479,797         | 1,479,997        | -200              | -0.01         |                                                                                                                       |
| Collection Costs                 | 396,395           | 484,146          | -87,751           | -18.12        | Budgeted for legal cost of previous municipal manager that was not fully spent. Over budgeted for collection cost.    |
| Depreciation                     | 5,281,413         | 3,956,678        | 1,324,735         | 33.48         | Under budgeted for.                                                                                                   |
| Repairs and Maintenance          | 11,371,238        | 10,249,334       | 1,121,904         | 10.95         | Age and condition of infrastructure required increased maintenance. Flood damage repairs contributed to the variance. |
| Interest - External borrowings   | 2,933,742         | 3,391,629        | -457,887          | -13.50        | The loan was raised during June 2007 and it was anticipated the it would be raised in January 2007.                   |
| Bulk Purchases                   | 19,131,390        | 19,899,200       | -767,810          | -3.86         |                                                                                                                       |
| Contracted Services              | 348,958           | 396,420          | -47,462           | -11.97        | Clinic services transferred to Province. Underspent on sanitation services in Gouritsmond and Albertinia Electricity. |
| General Expenses                 | 36,768,595        | 45,888,809       | -9,120,214        | -19.87        | Saving on asset register, audit fees, festivals, development cost, IDP, inventory, material & supplies etc.           |
| Total Expenditure                | 121,606,744       | 134,098,608      | 12,491,864        | -9.32         |                                                                                                                       |
| <b>Nett surplus for the year</b> | <b>22,418,561</b> | <b>9,485,180</b> | <b>12,933,381</b> | <b>136.35</b> |                                                                                                                       |

| APPENDIX E (2)                                                                                      |                     |                     |                       |                       |                                                                             |
|-----------------------------------------------------------------------------------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------------------------------------------------------------|
| ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2007 |                     |                     |                       |                       |                                                                             |
|                                                                                                     | 2007<br>Actual<br>R | 2007<br>Budget<br>R | 2007<br>Variance<br>R | 2007<br>Variance<br>% | Explanation of Significant Variances<br>greater than 5% versus Budget       |
| <b>Land</b>                                                                                         |                     |                     |                       |                       |                                                                             |
| Land                                                                                                | 76,316              | 137,000             | -60,684               | -44.29                | Survey S/R Ervin(R50 000) not done. R10 684 saving land purchases MP centre |
|                                                                                                     | <b>76,316</b>       | <b>137,000</b>      | <b>-60,684</b>        | <b>-44.29</b>         |                                                                             |
| <b>Infrastructure</b>                                                                               |                     |                     |                       |                       |                                                                             |
| <b><u>Sewerage</u></b>                                                                              |                     |                     |                       |                       |                                                                             |
| Purification Works                                                                                  | 5,577,802           | 6,659,444           | -1,081,642            | -16.24                | Sewerage Infr. - Melk/fontein R1 000 000 not done. Transfer to 0708 budget. |
| Outfall Sewerage                                                                                    | 351,904             | 384,870             | -32,966               | -8.57                 | Sewerage work (H/berg) done under budget (+-R32 000) flood damage           |
| Sewerage Pumps                                                                                      | 42,330              | 47,600              | -5,270                | -11.07                | Savings on purchases of pumps, procured under budget                        |
| <b><u>Water</u></b>                                                                                 |                     |                     |                       |                       |                                                                             |
| Meters                                                                                              | 328,310             | 334,300             | -5,990                | -1.79                 |                                                                             |
| Mains                                                                                               | 111,175             | 169,000             | -57,825               | -34.22                | Upgrading water pipeline (Preekstoel) done under budget R56 134             |
| Reticulation                                                                                        | 89,529              | 94,630              | -5,101                | -5.39                 |                                                                             |

|                                    |                   |                   |                   |                |                                                                                                                                                                                   |
|------------------------------------|-------------------|-------------------|-------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reservoirs/Tanks                   | 300,000           | 3,206,000         | -2,906,000        | -90.64         | Reservoir Alb. R2 006 000 not done, grant back to DM. Reservoir Stilbaai R700 000 not done, transferred to 07/08 budget. Watertanks project transferred to oper. Budget R200 000. |
| <b><u>Electricity</u></b>          |                   |                   |                   |                |                                                                                                                                                                                   |
| Power Stations                     | 402,152           | 420,000           | -17,848           | -4.25          |                                                                                                                                                                                   |
| Mains                              | 1,707,688         | 2,947,661         | -1,239,973        | -42.07         | Projects totalling R638 436 for 06/07, electr. Low cost housing done under budget - grant transferred to 07/08                                                                    |
| <b><u>Roads and Stormwater</u></b> |                   |                   |                   |                |                                                                                                                                                                                   |
| Motorways                          | 3,191,730         | 4,568,125         | -1,376,395        | -30.13         | Upgr. Progress str. Incomplete R637 077. Rehab. Of gravel roads H/berg not done R60 000. Street name signage tranf. To oper. Budget R50 000. New roads done under budget R411 370 |
| Street lights                      | 49,413            | 180,000           | -130,587          | -72.55         | Expenditure transferred to operating budget                                                                                                                                       |
| Stormwater Drains                  | 1,084,879         | 1,220,000         | -135,121          | -11.08         | Stormwater masterplan procured under budget R80 176                                                                                                                               |
| Overhead Bridges                   | 155,185           | 232,000           | -76,815           | -33.11         | Pedestrian bridge at sewerage works H/berg done under budget R74 800                                                                                                              |
| Parking Areas                      | 35,019            | 100,000           | -64,981           | -64.98         | Project at H/berg not done R25 000. Riversdale not completed R39 981                                                                                                              |
| Footways                           | 2,265,175         | 2,466,077         | -200,902          | -8.15          | Sidewalk Melk/fontein not complete - grant transferre to 07/08 R90 406. Thoroughfares project savings of R97 823 - carry over to 07/08                                            |
|                                    | <b>15,692,291</b> | <b>23,029,707</b> | <b>-7,337,416</b> | <b>-31.86</b>  |                                                                                                                                                                                   |
|                                    |                   |                   |                   |                |                                                                                                                                                                                   |
| <b>Housing</b>                     |                   |                   |                   |                |                                                                                                                                                                                   |
| Housing                            | 0                 | 11,702,000        | 11,702,000        | -100.00        | Budget amount transferred to operating expenditure                                                                                                                                |
|                                    | <b>0</b>          | <b>11,702,000</b> | <b>11,702,000</b> | <b>-100.00</b> |                                                                                                                                                                                   |

|                                     |                |                  |                 |               |                                                                                                              |
|-------------------------------------|----------------|------------------|-----------------|---------------|--------------------------------------------------------------------------------------------------------------|
|                                     |                |                  |                 |               |                                                                                                              |
| <b>Community Assets</b>             |                |                  |                 |               |                                                                                                              |
| Swimming Pools                      | 104,850        | 114,130          | -9,280          | -8.13         | Tidal pool Gouritsmond done under budget R9 280                                                              |
| Outdoor Facilities                  | 94,430         | 100,000          | -5,570          | -5.57         | Work done under budget                                                                                       |
| Cemeteries                          | 13,208         | 15,000           | -1,792          | -11.95        | Work done under budget                                                                                       |
| Community Centres                   | 113,703        | 303,536          | -189,833        | -62.54        | G/M library project funds transf. To 07/08 budget R150 000.<br>Banqueting hall R/D done under budget R26 842 |
| Public Conveniences                 | 333,672        | 350,000          | -16,328         | -4.67         |                                                                                                              |
| Fencing                             | 189,024        | 203,000          | -13,976         | -6.88         | Fencing of workshop G/M done under budget                                                                    |
|                                     | <b>848,886</b> | <b>1,085,666</b> | <b>-236,780</b> | <b>-21.81</b> |                                                                                                              |
|                                     |                |                  |                 |               |                                                                                                              |
| <b>Other Assets</b>                 |                |                  |                 |               |                                                                                                              |
| <b><u>Buildings</u></b>             |                |                  |                 |               |                                                                                                              |
| Caravan Parks                       | 818,342        | 1,098,000        | -279,658        | -25.47        | Development of day camp W/S not done R250 000                                                                |
| Emergency Equipment                 | 39,693         | 40,000           | -307            | -0.77         |                                                                                                              |
| Office Buildings                    | 1,832,949      | 2,091,400        | -258,451        | -12.36        | Project one-stop traffic centre incomplete - funds carried over 07/08 budget                                 |
| Tip Sites                           | 35,695         | 693,000          | -657,305        | -94.85        | Dumping site project placed on hold pending an investigation DM                                              |
| <b><u>Plant &amp; Equipment</u></b> |                |                  |                 |               |                                                                                                              |
| Boats                               | 34,035         | 20,000           | 14,035          | 70.18         | Two boats where procured - only one budget for                                                               |
| Lawnmowers                          | 21,925         | 31,900           | -9,975          | -31.27        | Kudu lawnmower procured under budget R3 075. H/B lawnmower expense transferred to oper. Budget               |

|                              |                   |                   |                   |               |                       |
|------------------------------|-------------------|-------------------|-------------------|---------------|-----------------------|
| Other                        | 448,676           | 487,287           | -38,611           | -7.92         | Procured under budget |
| Irrigation Systems           | 13,158            | 15,000            | -1,842            | -12.28        | Procured under budget |
| <b><u>Motor Vehicles</u></b> |                   |                   |                   |               |                       |
| Trucks/Bakkies               | 816,690           | 854,000           | -37,310           | -4.37         |                       |
|                              | <b>4,061,164</b>  | <b>5,330,587</b>  | <b>-1,269,423</b> | <b>-23.81</b> |                       |
|                              |                   |                   |                   |               |                       |
| <b>Total</b>                 | <b>20,678,657</b> | <b>41,284,960</b> | <b>20,606,303</b> | <b>-49.91</b> |                       |

| Appendix F                                                                         |                  |                    |               |              |           |            |            |                       |              |           |           |            |                |  |
|------------------------------------------------------------------------------------|------------------|--------------------|---------------|--------------|-----------|------------|------------|-----------------------|--------------|-----------|-----------|------------|----------------|--|
|                                                                                    |                  |                    |               |              |           |            |            |                       |              |           |           |            |                |  |
| Disclosure of Grants and Subsidies in terms of section 123 of the MFMA, 56 Of 2003 |                  |                    |               |              |           |            |            |                       |              |           |           |            |                |  |
|                                                                                    |                  |                    |               |              |           |            |            |                       |              |           |           |            |                |  |
|                                                                                    |                  | Quarterly Receipts |               |              |           |            |            | Quarterly Expenditure |              |           |           |            |                |  |
| Name of Grant                                                                      | Funder           | Opening            | Septemb<br>er | Decemb<br>er | March     | June       | Total      | Septemb<br>er         | Decemb<br>er | March     | June      | Total      | Closing        |  |
|                                                                                    |                  | Balance            |               |              |           |            |            |                       |              |           |           |            | Balance        |  |
|                                                                                    |                  | 1/07/2006          |               |              |           |            |            |                       |              |           |           |            | 30/06/20<br>07 |  |
|                                                                                    |                  | R                  | R             | R            | R         | R          | R          | R                     | R            | R         | R         | R          | R              |  |
| National Government                                                                |                  | 298,715            | 3,150,744     | 2,362,585    | 3,937,011 | 24,779,611 | 34,528,666 | 623,045               | 622,844      | 635,862   | 9,843,648 | 11,725,399 | 22,803,268     |  |
| Equitable Share                                                                    | DPLG             | 0                  | 3,150,744     | 2,362,585    | 3,937,011 | 0          | 9,450,340  | 623,045               | 613,394      | 552,105   | 7,661,797 | 9,450,340  | 0              |  |
| MIG Projects                                                                       | DPLG             | 0                  | 0             | 0            | 0         | 2,806,720  | 2,806,720  | 0                     | 0            | 0         | 0         | 0          | 2,806,720      |  |
| WC Local Gov - Flood Disaster                                                      | DPLG             | 0                  | 0             | 0            | 0         | 19,359,823 | 19,359,823 | 0                     | 0            | 0         | 0         | 0          | 19,359,823     |  |
| WC Local Gov - Flood Disaster                                                      | DPLG             | 0                  | 0             | 0            | 0         | 2,113,069  | 2,113,069  | 0                     | 0            | 0         | 2,113,069 | 2,113,069  | 0              |  |
| Financial Management Grant                                                         | DPLG             | 298,715            | 0             | 0            | 0         | 500,000    | 798,715    | 0                     | 9,451        | 83,757    | 68,782    | 161,990    | 636,725        |  |
| Provincial Government                                                              |                  | 3,626,732          | 3,393,396     | 1,059,035    | 5,075,771 | 4,116,580  | 17,271,513 | 2,056,328             | 4,338,708    | 5,597,004 | 4,487,487 | 16,479,527 | 791,986        |  |
| Melkhoutfontein Land Reform                                                        | WC: Land Affairs | 469,805            | 0             | 0            | 0         | 283,210    | 753,015    | 0                     | 179,937      | 284,359   | 59,368    | 523,664    | 229,351        |  |
| MHFT Pedestrian Sidewalk                                                           | WC: Transport    | 1,624,885          | 0             | 0            | 0         | 0          | 1,624,885  | 581,556               | 630,055      | 0         | 322,870   | 1,534,481  | 90,404         |  |

|                                         |                   |                |                |                |                |                |                  |                |                |                |                |                  |                |
|-----------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Slangrivier Taxi Rank                   | WC: Transport     | 408,409        | 0              | 0              | 0              | 0              | 408,409          | 18,421         | 128,164        | 221,982        | 34,829         | 403,396          | 5,013          |
| Water Service Development Plan          | WC: Water Affairs |                |                | 69,000         | 115,000        |                | 184,000          |                | 55,383         |                |                | 55,383           | 128,617        |
| Municipal Support Program               | WC: Local Govt.   | 14,959         | 0              | 0              | 0              | 0              | 14,959           | 0              | 0              | 6,000          | 8,959          | 14,959           | 0              |
| RDP Housing                             | WC: Housing       | 1,016,037      | 2,867,015      | 731,719        | 4,212,785      | 3,690,821      | 12,518,377       | 1,177,285      | 2,905,268      | 4,944,504      | 3,690,821      | 12,717,877       | 0              |
| RDP Housing                             | MIG               |                | 199,500        |                |                |                | 199,500          |                |                |                |                | 0                |                |
| RDP Housing - Albertinia                | WC: Housing       |                |                |                |                | 37,860         | 37,860           |                |                |                | 37,860         | 37,860           | 0              |
| Melrose Place RD Toilets                | WC: Cultural      | 22,215         | 0              | 0              | 0              | 0              | 22,215           | 0              | 0              | 0              | 0              | 0                | 22,215         |
| Slangrivier Library                     | WC: Housing       | 53,536         | 0              | 0              | 0              | 0              | 53,536           | 7,980          | 0              | 4,354          | 31,894         | 44,228           | 9,308          |
| Sport Facilities Slangrivier/Albertinia | WC: Sport         | 16,886         | 0              | 0              | 0              | 0              | 16,886           | 0              | 0              | 0              | 14,287         | 14,287           | 2,599          |
| Primary Health Care Services            | WC: Health        | 0              | 326,881        | 138,316        | 237,580        | 42,689         | 745,466          | 219,977        | 281,628        | 42,551         | 38,830         | 582,986          | 162,479        |
| Proclaimed Roads - Maintenance          | WC: Transport     | 0              | 0              | 0              | 172,405        | 0              | 172,405          | 41,110         | 148,274        | 39,561         | -56,539        | 172,405          | 0              |
| Proclaimed Roads - Capital              | WC: Transport     | 0              | 0              | 0              | 338,000        | 0              | 338,000          | 0              | 0              | 43,693         | 294,307        | 338,000          | 0              |
| Spatial Development Framework           | WC: Environment   | 0              | 0              | 80,000         | 0              | 0              | 80,000           | 0              | 0              | 0              | 0              | 0                | 80,000         |
| Project Preparation Grant               | WC: Local Govt.   |                |                |                |                | 62,000         | 62,000           |                |                |                |                |                  | 62,000         |
| Imbizo Week                             | PAWC              |                |                | 40,000         |                |                | 40,000           | 10,000         | 10,000         | 10,000         | 10,000         | 40,000           | 0              |
| <b>District Municipality</b>            |                   | <b>237,703</b> | <b>101,408</b> | <b>591,102</b> | <b>435,440</b> | <b>723,486</b> | <b>2,089,138</b> | <b>366,177</b> | <b>731,972</b> | <b>393,087</b> | <b>263,115</b> | <b>1,754,351</b> | <b>334,787</b> |
| Albertinia                              | Eden              | 0              | 97,817         | 280,510        | 123,668        | 407,835        | 909,830          | 359,206        | 438,891        | 0              | 0              | 798,097          | 111,734        |

|                               |                  |            |           |           |            |            |            |           |           |           |            |            |            |
|-------------------------------|------------------|------------|-----------|-----------|------------|------------|------------|-----------|-----------|-----------|------------|------------|------------|
| Sewerage - Phase 8            | Distr. Mun.      |            |           |           |            |            |            |           |           |           |            |            |            |
| Vermaaklikheid Land Reform    | Eden Distr. Mun. | 0          | 0         | 306,236   | 307,844    | 117,400    | 731,480    | 0         | 289,775   | 283,049   | 79,869     | 652,693    | 78,787     |
| Performance Management System | Eden Distr. Mun. | 127,703    | 0         | 0         | 0          | 0          | 127,703    | 0         | 0         | 0         | 0          | 0          | 127,703    |
| Capacity Building             | Eden Distr. Mun. | 110,000    | 0         | 0         | 0          | 0          | 110,000    | 0         | 0         | 109,417   | 583        | 110,000    | 0          |
| Clobe Conference 2008         | Eden Distr. Mun. |            |           |           |            | 100,000    | 100,000    | 0         | 0         | 0         | 83,437     | 83,437     | 16,563     |
| Hessequa Thouroughfares       | Eden Distr. Mun. |            |           |           | 3,928      | 98,250     | 102,178    |           | 3,306     | 621       | 98,250     | 102,178    | 0          |
| Bulk Water Investigation      | Eden Distr. Mun. |            | 3,591     | 4,355     |            |            | 7,946      | 6,971     |           |           | 976        | 7,947      | 0          |
| Other                         |                  | 6,115,847  | 21,075    | 946,485   | 2,353,097  | 2,408,996  | 11,845,501 | 919,292   | 237,218   | 914,413   | 1,581,593  | 3,652,517  | 8,192,984  |
| NEP                           | DMEA             | 290,185    | 0         | 500,000   | 2,300,000  | 0          | 3,090,185  | 26,333    | 19,116    | 392,003   | 292,626    | 730,079    | 2,360,106  |
| Multi Purpose Centre          | WC: Comm. Serv   | 202,743    | 0         | 343,000   | 0          | 0          | 545,743    | 127,290   | 88,778    | 65,627    | 110,041    | 391,736    | 154,007    |
| Cape Nature: Plant Project    | Cape Nature      |            |           | 50,000    |            |            | 50,000     |           |           |           | 2,745      | 2,745      | 47,255     |
| Tourism                       |                  | 156,896    | 0         | 0         | 0          | 0          | 156,896    | 0         | 2,582     | 4,783     | 47,712     | 55,077     | 101,819    |
| Africana Centre               |                  | 26,313     | 0         | 0         | 0          | 0          | 26,313     | 0         | 0         | 0         | 0          | 0          | 26,313     |
| Gouritsmond Impact Study      |                  | 36,666     | 0         | 0         | 0          | 0          | 36,666     | 0         | 0         | 0         | 0          | 0          | 36,666     |
| Services - Garcia Forestry    |                  | 5,292,443  | 0         | 0         | 0          | 2,376,600  | 7,669,043  | 712,261   | 126,172   | 427,394   | 1,098,925  | 2,364,751  | 5,304,292  |
| SETA                          |                  | 110,601    | 21,075    | 53,485    | 53,097     | 32,396     | 270,655    | 53,408    | 570       | 24,606    | 29,544     | 108,129    | 162,526    |
| TOTAL - CONDITIONAL GRANTS    |                  | 10,278,997 | 6,666,623 | 4,959,207 | 11,801,318 | 32,028,673 | 65,734,819 | 3,964,842 | 5,930,743 | 7,540,367 | 16,175,843 | 33,611,794 | 32,123,024 |
|                               |                  |            |           |           |            |            |            |           |           |           |            |            |            |



## HESSEQUA MUNICIPALITY

### TRUST FUNDS - STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

| Net Assets and Liabilities              | 2007             | 2006             |
|-----------------------------------------|------------------|------------------|
|                                         | R                | R                |
| <b>Net assets</b>                       | <b>1,214,871</b> | <b>1,201,334</b> |
| Capital Fund                            | 1,080,340        | 1,080,340        |
| Accumulated Surplus/(Deficit)           | 134,531          | 120,994          |
| <b>Total Net Assets and Liabilities</b> | <b>1,214,871</b> | <b>1,201,334</b> |
| <b>Assets</b>                           |                  |                  |
| <b>Current assets</b>                   | <b>1,214,871</b> | <b>1,201,334</b> |
| Investments                             | 1,214,871        | 1,201,334        |
| <b>Total Assets</b>                     | <b>1,214,871</b> | <b>1,201,334</b> |

## TRUST FUNDS - STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

| Revenue                                | Note | 2007<br>R      | 2006<br>R      |
|----------------------------------------|------|----------------|----------------|
| Interest earned - external investments |      | 92,070         | 76,025         |
| Other Income                           |      | 200,000        | 300,000        |
| <b>Total Revenue</b>                   |      | <b>292,070</b> | <b>376,025</b> |
|                                        |      |                |                |
|                                        |      |                |                |
| <b>Expenditure</b>                     |      |                |                |
| General expenses                       |      | 278,533        | 326,351        |
| <b>Total Expenditure</b>               |      | <b>278,533</b> | <b>326,351</b> |
|                                        |      |                |                |
| <b>Surplus/(Deficit) For The Year</b>  |      | <b>13,537</b>  | <b>49,674</b>  |
|                                        |      |                |                |

# HESSEQUA LOCAL MUNICIPALITY

## TRUSTFUNDS

### MANDATORY ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL

### STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1.

#### **BASIS OF PRESENTATION**

The following trust funds exist in the municipality:

(a) Development Fund for the Maintenance and Operation of Nature Areas in Stilbaai

This fund was established in terms of section 76.2 of Municipal Ordinance, 1974 (Ordinance 20 of 1974) with the sanction of the Premier on 14 August 1998.

(b) Elsje Koorts Tuberculosis Fund

This fund was established in terms of clause 4 of the last will and testament of the late Elsje Koorts, and states inter alia that "the remainder of my estate will be used for the treatment of tuberculosis cases in Riversdale....."

These funds are invested in a separate investment account.

**REPORT OF THE AUDITOR-GENERAL TO THE COUNCIL AND THE WESTERN  
CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND  
PERFORMANCE INFORMATION OF THE HESSEQUA MUNICIPALITY FOR THE  
YEAR ENDED 30 JUNE 2007**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Hessequa Municipality which comprise the statement of financial position as at 30 June 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 1 to 26.

**Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1: *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is still in the process of being developed, I have determined that my audit of any disclosures made by the Hessequa Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Basis of accounting**

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

#### **Basis for qualified opinion**

##### **Property, plant and equipment**

10. I was unable to determine the completeness and the valuation of all properties held by the municipality stated at R9 802 429 due to the lack of audit trail within the fixed asset register. The entity's records did not permit the application of alternative audit procedures regarding the property, plant and equipment balance. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness and valuation of property, plant and equipment.
11. In terms of Standards of Generally Accepted Municipal Accounting Practice 17 (GAMAP 17), an item of property, plant and equipment which meets the recognition criteria of an asset, shall initially be measured at its cost. The municipality had implemented a policy whereby assets in excess of R5 000 were capitalised which is in direct contravention of GAMAP 17, which does not prescribe any thresholds for the capitalisation of assets.

The municipality's accounting system did not permit the application of alternative procedures and consequently I could not express an audit opinion on the correct valuation on the property, plant and equipment balance.

### **Qualified opinion**

12. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2007 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1, and in the manner required by the MFMA.

### **Emphasis of matter**

I draw attention to the following matter:

#### **Basis of accounting**

13. As set out in accounting policy note 1, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of *Government Notice 552 of 2007* issued in *Government Gazette 30013 of 29 June 2007*.

### **OTHER MATTERS**

I draw attention to the following matters which are ancillary to my responsibilities in the audit of the financial statements:

#### **Non compliance with applicable legislation**

##### **Municipal Systems Act**

14. The municipality could provide us with a copy of the delegations and all policies and procedures related thereto, as required by section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), as well as section 79(1)(a) of the MFMA.

##### **Municipal Finance Management Act**

15. The internal audit department had no risk management strategy, informed by a risk based audit plan and internal audit program for each financial year in place as required in terms of section 165(2)(a) of the MFMA.

#### **Material corrections made to the financial statements submitted for audit**

16. The financial statements, approved by the accounting officer and submitted for audit on 31 August 2007, have been significantly revised in respect of the following misstatement identified during the audit:
  - Expenditure incurred before year end had not been recognised resulting in expenses and accounts payable being understated by R383 000.

### Unaudited supplementary schedules

17. The supplementary information set out on pages 27 to 44 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion on them.

### Internal control

18. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies existed in more than one internal control component.

| Reporting item                                   | Control environment | Assessment of risks | Control activities | Information and communication | Monitoring |
|--------------------------------------------------|---------------------|---------------------|--------------------|-------------------------------|------------|
| <b>Basis for qualification</b>                   |                     |                     |                    |                               |            |
| Property, plant and equipment                    | X                   |                     | X                  |                               | X          |
| <b>Other matters</b>                             |                     |                     |                    |                               |            |
| Material corrections to the financial statements | X                   |                     | X                  |                               | X          |
| Non compliance with laws and legislation         | X                   |                     | X                  |                               | X          |

### Investigations in progress or completed

19. As disclosed in note 33 to the financial statements, a senior official of the municipality was suspended for the alleged contravention of the Preferential Procurement Policy. A forensic audit had been performed and the investigation was ongoing. At that stage no disciplinary action had been taken.

Another matter relating to the alleged fraudulent claim for travelling cost was also under investigation.

### **Late finalisation of the audit report**

20. In terms of section 126(3)(b) of the MFMA I am required to submit my report to the accounting officer within three months of the receipt of the financial statements. In the interest of improving accountability and due to the process implemented by me to ensure consistency in the manner in which material audit findings are reported I have delayed the finalisation of my reports to no later than 5 March 2008 where the financial statements in question were received by 31 August 2007.

### **OTHER REPORTING RESPONSIBILITIES**

#### **Reporting on performance information**

21. I was engaged to audit the performance information.

#### **Responsibilities of the accounting officer for performance information**

22. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

#### **Responsibility of the Auditor-General**

23. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007* and section 45 of the MSA.
24. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

#### **Performance information not received in time**

25. I was not able to complete an evaluation of the quality of the reported performance information as set out on pages xx to xx of the annual report, since the information was not received in time.

## **APPRECIATION**

26. The assistance rendered by the staff of the Hessequa Municipality during the audit is sincerely appreciated.

*Auditor - General*

Cape Town

5 March 2008



**A U D I T O R - G E N E R A L**

## Chapter 5: Functional Area Service Delivery Reporting

| Function                      | Sub-Function                                                        | Page |
|-------------------------------|---------------------------------------------------------------------|------|
| General Information           |                                                                     |      |
| Executive and Council         |                                                                     |      |
| Finance and Administration    | Finance<br>Human Resources<br>Other Administration<br>(Procurement) |      |
| Planning and Development      | Economic Development                                                |      |
| Community and Social Services | All inclusive                                                       |      |
| Housing                       |                                                                     |      |
| Public Safety                 | Police (Traffic)                                                    |      |
| Waste Management              | Solid Waste                                                         |      |
| Waste Water Management        | Sewerage                                                            |      |
| Road Transport                | Roads<br>Public Buses                                               |      |
| Water                         | Water Distribution                                                  |      |
| Electricity                   | Electricity Distribution<br>Street Lighting                         |      |

*<Insert name of municipality>*  
**GENERAL INFORMATION**

| Reporting Level | Detail | Total |
|-----------------|--------|-------|
|                 |        |       |

|              |                                                                                                                                                                                                    |                                          |  |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--|
| Overview:    | Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported                     |                                          |  |
| Information: | <Provide statistical information on (as a minimum):>                                                                                                                                               |                                          |  |
| 1            | Geography:<br>Geographical area in square kilometres<br>Note: Indicate source of information                                                                                                       | <total>                                  |  |
| 2            | Demography:<br>Total population<br>Note: Indicate source of information                                                                                                                            | <total>                                  |  |
| 3            | Indigent Population<br>Note: Indicate source of information and define basis of indigent policy including definition of indigent                                                                   | <total>                                  |  |
| 4            | Total number of voters                                                                                                                                                                             | <total>                                  |  |
| 5            | Aged breakdown:<br>- 65 years and over<br>- between 40 and 64 years<br>- between 15 and 39 years<br>- 14 years and under<br>Note: Indicate source of information                                   | <total><br><total><br><total><br><total> |  |
| 6            | Household income:<br>- over R3,499 per month<br>- between R2,500 and R3,499 per month<br>- between R1,100 and R2,499 per month<br>- under R1,100 per month<br>Note: Indicate source of information | <total><br><total><br><total><br><total> |  |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|               |                       |
|---------------|-----------------------|
| Function:     | Executive and Council |
| Sub Function: | N/A                   |

| Reporting | Detail | Total |
|-----------|--------|-------|
|-----------|--------|-------|

| Level                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |  |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--|
| Overview:                    | Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councillor and committee expenses and governance. Note: remuneration of councillor information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .                                                                                                                                                                                                                                                                                                                                                       |                      |  |
| Description of the Activity: | <p>The function of executive and council within the municipality is administered as follows and includes:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |                      |  |
| Analysis of the Function:    | <Provide statistical information on (as a minimum):>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |  |
| 1                            | Councillor detail:<br>Total number of Councillors<br>Number of Councillors on Executive Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <number><br><number> |  |
| 2                            | Ward detail:<br>Total number of Wards<br>Number of Ward Meetings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <number><br><number> |  |
| 3                            | Number and type of Council and Committee meetings:<br><List here><br>List here Council meetings, followed by individual committee and the number of times that each met                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <number>             |  |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

|                      |                                   |  |
|----------------------|-----------------------------------|--|
| <b>Function:</b>     | <b>Finance and Administration</b> |  |
| <b>Sub Function:</b> | <b>Finance</b>                    |  |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total      |            |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Overview:                    | Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |            |
| Description of the Activity: | <p>The function of finance within the municipality is administered as follows and includes:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |            |            |
| Analysis of the Function:    | <Provide statistical information on (as a minimum):>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |            |
| 1                            | Debtor billings: number and value of monthly billings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            | R (000s)   |
|                              | Function - <list function here eg: water, electricity etc>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <total>    | <total>    |
|                              | - Number and amount billed each month across debtors by function (eg: water, electricity etc)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <number>   | <value>    |
|                              | Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |            |            |
|                              | 2 Debtor collections: value of amount received and interest:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | R (000s)   | R (000s)   |
|                              | Function - <list function here eg: water, electricity etc>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <total>    | <total>    |
|                              | - Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <received> | <interest> |
|                              | Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |            |
|                              | 3 Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R (000s)   |            |
|                              | Function - <list function here eg: water, electricity etc>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |            |
|                              | - Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <total>    |            |

|  |                        |                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                      |
|--|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------------|
|  |                        | Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function                                                                                                                                                                                                                                                                                         |                                  |                                                      |
|  | 4                      | Write off of debts: number and value of debts written off:<br>- Total debts written off each month across debtors by function (eg: water, electricity etc)<br>Note: create a suitable table to reflect write offs each month across debtors by function                                                                                                                                                         | <number>                         | R (000s)<br><value>                                  |
|  | 5                      | Property rates (Residential):<br>- Number and value of properties rated<br>- Number and value of properties not rated<br>- Number and value of rate exemptions<br>- Rates collectible for the current year                                                                                                                                                                                                      | <number><br><number><br><number> | R (000s)<br><value><br><value><br><value><br><value> |
|  | <b>Reporting Level</b> | <b>Detail</b>                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Total</b>                     |                                                      |
|  | 6                      | Property rates (Commercial):<br>- Number and value of properties rated<br>- Number and value of properties not rated<br>- Number and value of rate exemptions<br>- Rates collectible for the current year                                                                                                                                                                                                       | <number><br><number><br><number> | R (000s)<br><value><br><value><br><value><br><value> |
|  | 7                      | Regional Service Council (RSC) levies:<br>- Number and value of returns<br>- Total Establishment levy<br>- Total Services levy<br>- Levies collected for the current year                                                                                                                                                                                                                                       | <number>                         | R (000s)<br><value><br><value><br><value><br><value> |
|  | 8                      | Property valuation:<br>- Year of last valuation<br>- Regularity of valuation                                                                                                                                                                                                                                                                                                                                    | <year><br><cycle>                |                                                      |
|  | 9                      | Indigent Policy:<br>- Quantity (number of households affected)<br>- Quantum (total value across municipality)                                                                                                                                                                                                                                                                                                   | <total><br><value>               |                                                      |
|  | 10                     | Creditor Payments:<br><List creditors here><br>Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days                                                                                                                                                                                                                  | R (000s)<br><value>              | <age>                                                |
|  | 11                     | Credit Rating:<br><List credit rating details here><br>List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated                                                                                                                                                                                                                                   | R (000s)<br><value>              | <date>                                               |
|  | 12                     | External Loans:<br>- Total loans received and paid during the year<br>Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table. | R (000s)<br><received>           | R (000s)<br><paid>                                   |
|  | 13                     | Delayed and Default Payments:<br><List delayed and default payments here>                                                                                                                                                                                                                                                                                                                                       | <value>                          | <date>                                               |

|  |                                                                                                                                                                                                                              |  |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <p>List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature</p> <p>Note: This information need not be reported here if reported as notes to the accounts.</p> |  |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                                   |
|----------------------|-----------------------------------|
| <b>Function:</b>     | <b>Finance and Administration</b> |
| <b>Sub Function:</b> | <b>Human Resources</b>            |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total |  |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--|
| Overview:                    | Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems. Note: Read in conjunction with Chapter 3 on <i>Human Resource Management</i> .                                                                                                                                                                                                                                                                                                                                                                    |       |  |
| Description of the Activity: | <p>The function of human resource management within the municipality is administered as follows and includes:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |       |  |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |  |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                |                                                                      |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------|
| Analysis of the Function: | <Provide statistical information on (as a minimum):>                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                |                                                                      |
| 1                         | Number and cost to employer of all municipal staff employed:<br>- Professional (Managerial/Specialist)<br>- Field (Supervisory/Foremen)<br>- Office (Clerical/Administrative)<br>- Non-professional (blue collar, outside workforce)<br>- Temporary Staff<br>- Contract Staff<br>Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package | <total><br><total><br><total><br><total><br><total><br><total> | R (000s)<br><cost><br><cost><br><cost><br><cost><br><cost><br><cost> |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                                                         |
|---------------------------------------------------------|
| <b>Sub Function: Other Administration (Procurement)</b> |
|---------------------------------------------------------|

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Total |  |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--|
| Overview:                    | Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc                                                                                                                                                                                                                                                                                                                                                                                |       |  |
| Description of the Activity: | The function of procurement within the municipality is administered as follows and includes:<br><List administration of each function here: this should detail what is offered, and how it is offered to the community><br>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:<br><List here><br>The strategic objectives of this function are to:<br><List here> |       |  |

|                           |                                                                                                                                                                                                                                                                                                                                                |                                              |  |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--|
|                           | The key issues for 200X/0Y are:<br><List here>                                                                                                                                                                                                                                                                                                 |                                              |  |
| Analysis of the Function: | <Provide statistical information on (as a minimum):>                                                                                                                                                                                                                                                                                           |                                              |  |
| 1                         | Details of tender / procurement activities:<br>- Total number of times that tender committee met during year<br>- Total number of tenders considered<br>- Total number of tenders approved<br>- Average time taken from tender advertisement to award of tender<br>Note: Figures should be aggregated over year across all municipal functions | <number><br><number><br><number><br><number> |  |
| 2                         | Details of tender committee:<br>- Details of tender committee membership<br>Note: List details of each member of the tender committee                                                                                                                                                                                                          |                                              |  |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                                 |
|----------------------|---------------------------------|
| <b>Function:</b>     | <b>Planning and Development</b> |
| <b>Sub Function:</b> | <b>Economic Development</b>     |

| Reporting Level              | Detail                                                                                                                                                                                                                                      | Total |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Overview:                    | Includes all activities associated with economic development initiatives                                                                                                                                                                    |       |
| Description of the Activity: | The function of economic planning / development within the municipality is administered as follows and includes:<br><List administration of each function here: this should detail what is offered, and how it is offered to the community> |       |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                     |                                                                                                 |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
|                           | <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |                                                                                     |                                                                                                 |
| Analysis of the Function: | <p>&lt;Provide statistical information on (as a minimum):&gt;</p>                                                                                                                                                                                                                                                                                                                                                                   |                                                                                     |                                                                                                 |
| 1                         | <p>Number and cost to employer of all economic development personnel:</p> <ul style="list-style-type: none"> <li>- Professional (Directors / Managers)</li> <li>- Non-professional (Clerical / Administrative)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>                                       | <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> |
| 2                         | <p>Detail and cost of incentives for business investment:</p> <p>&lt;list details&gt;</p> <p>Note: list incentives by project, with total actual cost to municipality for year</p>                                                                                                                                                                                                                                                  |                                                                                     | <p>R (000s)</p> <p>&lt;cost&gt;</p>                                                             |
| 3                         | <p>Detail and cost of other urban renewal strategies:</p> <p>&lt;list details&gt;</p> <p>Note: list strategies by project, with total actual cost to municipality for year</p>                                                                                                                                                                                                                                                      |                                                                                     | <p>R (000s)</p> <p>&lt;cost&gt;</p>                                                             |
| 4                         | <p>Detail and cost of other rural development strategies:</p> <p>&lt;list details&gt;</p> <p>Note: list strategies by project, with total actual cost to municipality for year</p>                                                                                                                                                                                                                                                  |                                                                                     | <p>R (000s)</p> <p>&lt;cost&gt;</p>                                                             |
| 5                         | <p>Number of people employed through job creation schemes:</p> <ul style="list-style-type: none"> <li>- Short-term employment</li> <li>- Long-term employment</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives</p>                                                                                         | <p>&lt;number&gt;</p> <p>&lt;number&gt;</p>                                         |                                                                                                 |
| 6                         | <p>Number and cost to employer of all Building Inspectors employed:</p> <ul style="list-style-type: none"> <li>- Number of Building Inspectors</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package</p>                                                                                                     | <p>&lt;number&gt;</p>                                                               | <p>R (000s)</p> <p>&lt;value&gt;</p>                                                            |
| 6                         | <p>Details of building plans:</p> <ul style="list-style-type: none"> <li>- Number of building plans approved</li> <li>- Value of building plans approved</li> </ul>                                                                                                                                                                                                                                                                 | <p>&lt;number&gt;</p> <p>&lt;value&gt;</p>                                          |                                                                                                 |

| Reporting Level | Detail                                                                                                                                                                                                              | Total   |                     |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------|
| 7               | Note: Figures should be aggregated over year to include building plan approvals only                                                                                                                                |         |                     |
|                 | Type and number of grants and subsidies received:<br><list each grant or subsidy separately>                                                                                                                        | <total> | R (000s)<br><value> |
|                 | Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. |         |                     |

| Key Performance Area                                                                                                | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the 200X/0Y budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                                      |
|----------------------|--------------------------------------|
| <b>Function:</b>     | <b>Community and Social Services</b> |
| <b>Sub Function:</b> | <b>All inclusive</b>                 |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total |  |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--|
| Overview:                    | Includes all activities associated with the provision of community and social services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |  |
| Description of the Activity: | <p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |       |  |

|                           |                                                                                                                     |                   |              |
|---------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------|--------------|
|                           |                                                                                                                     |                   |              |
| Analysis of the Function: | <Provide statistical information on (as a minimum):>                                                                |                   |              |
| 1                         | Nature and extent of facilities provided:                                                                           | no of facilities: | no of users: |
|                           | - Library services                                                                                                  | <number>          | <number>     |
|                           | - Museums and art galleries                                                                                         | <number>          | <number>     |
|                           | - Other community halls/facilities                                                                                  | <number>          | <number>     |
|                           | - Cemeteries and crematoriums                                                                                       | <number>          | <number>     |
|                           | - Child care (including creches etc)                                                                                | <number>          | <number>     |
|                           | - Aged care (including aged homes, home help)                                                                       | <number>          | <number>     |
|                           | - Schools                                                                                                           | <number>          | <number>     |
|                           | - Sporting facilities (specify)                                                                                     | <number>          | <number>     |
|                           | - Parks                                                                                                             | <sq km>           | <number>     |
|                           | Note: the facilities figure should agree with the assets register                                                   |                   |              |
| 2                         | Number and cost to employer of all personnel associated with each community services function:                      |                   | R(000s)      |
|                           | - Library services                                                                                                  | <total>           | <cost>       |
|                           | - Museums and art galleries                                                                                         | <total>           | <cost>       |
|                           | - Other community halls/facilities                                                                                  | <total>           | <cost>       |
|                           | - Cemeteries and crematoriums                                                                                       | <total>           | <cost>       |
|                           | - Child care                                                                                                        | <total>           | <cost>       |
|                           | - Aged care                                                                                                         | <total>           | <cost>       |
|                           | - Schools                                                                                                           | <total>           | <cost>       |
|                           | - Sporting facilities                                                                                               | <total>           | <cost>       |
|                           | - Parks                                                                                                             | <total>           | <cost>       |
|                           | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package |                   |              |
| 6                         | Total operating cost of community and social services function                                                      |                   | R (000s)     |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |
|                                                                                                             |                                                                                                                                                                                                                                                     |         |        |

|               |         |
|---------------|---------|
| Function:     | Housing |
| Sub Function: | N/A     |

| Reporting | Detail | Total |
|-----------|--------|-------|
|-----------|--------|-------|

| Level                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview:                    | Includes all activities associated with provision of housing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                |
| Description of the Activity: | <p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                |
| Analysis of the Function:    | <p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>1 Number and cost of all personnel associated with provision of municipal housing:</p> <ul style="list-style-type: none"> <li>- Professional (Architects/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.</p> <p>2 Number and total value of housing projects planned and current:</p> <ul style="list-style-type: none"> <li>- Current (financial year after year reported on)</li> <li>- Planned (future years)</li> </ul> <p>Note: provide total project and project value as per initial or revised budget</p> <p>3 Total type, number and value of housing provided:</p> <p>&lt;list details by type of dwelling, see below&gt;</p> <p>Note: total number and total value of housing provided during financial year</p> <p>4 Total number and value of rent received from municipal owned rental units</p> <p>&lt;list details, including number of units handed over to residents&gt;</p> <p>5 Estimated backlog in number of (and costs to build) housing:</p> <p>&lt;list details by type of dwelling, see below&gt;</p> | <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>R (000s)</p> <p>&lt;value&gt;</p> <p>&lt;value&gt;</p> <p>R (000s)</p> <p>&lt;value&gt;</p> <p>R (000s)</p> <p>&lt;cost&gt;</p> |

|                        |                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                |          |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------|
|                        | Note: total number should appear in IDP, and cost in future budgeted capital housing programmes                                                                                                                                                                                                                                                                                                  |                                                                |          |
| 6                      | Type of habitat breakdown:<br>- number of people living in a house or brick structure<br>- number of people living in a traditional dwelling<br>- number of people living in a flat in a block of flats<br>- number of people living in a town/cluster/semi-detached group dwelling<br>- number of people living in an informal dwelling or shack<br>- number of people living in a room/flatlet | <total><br><total><br><total><br><total><br><total><br><total> |          |
| <b>Reporting Level</b> | <b>Detail</b>                                                                                                                                                                                                                                                                                                                                                                                    | <b>Total</b>                                                   |          |
| 7                      | Type and number of grants and subsidies received:<br><list each grant or subsidy separately>                                                                                                                                                                                                                                                                                                     |                                                                | R (000s) |
|                        | Note: total value of specific housing grants actually received during year to be recorded over the five quarters<br>- Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.                                                                                                                                                                                            | <total>                                                        | <value>  |
| 8                      | Total operating cost of housing function                                                                                                                                                                                                                                                                                                                                                         |                                                                | R (000s) |

| Key Performance Area                                                                                                | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the 200X/0Y budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                         |
|----------------------|-------------------------|
| <b>Function:</b>     | <b>Waste Management</b> |
| <b>Sub Function:</b> | <b>Solid Waste</b>      |

| Reporting Level              | Detail                                                                                                                                                                                                                  | Total |  |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--|
| Overview:                    | Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling                                                                                                                               |       |  |
| Description of the Activity: | The refuse collection functions of the municipality are administered as follows and include:<br><List administration of each function here: this should detail what is offered, and how it is offered to the community> |       |  |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                               |                                                                                                                                         |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
|                           | <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p>                                                              |                                                                                                                               |                                                                                                                                         |
| Analysis of the Function: | <Provide statistical information on (as a minimum):>                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                               |                                                                                                                                         |
| 1                         | <p>Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> | <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> |
| 2                         | <p>Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> <li>- Removed by municipality at least once a week</li> <li>- Removed by municipality less often</li> <li>- Communal refuse dump used</li> <li>- Own refuse dump</li> <li>- No rubbish disposal</li> </ul> <p>Note: if other intervals of services are available, please provide details</p>                                                        | <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p>                      | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p>                                                             |
| 3                         | <p>Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> <li>- Domestic/Commercial</li> <li>- Garden</li> </ul> <p>Note: provide total tonnage for current and future years activity</p>                                                                                                                                                                                                                                                                    | <p>&lt;current&gt;</p> <p>&lt;current&gt;</p>                                                                                 | <p>&lt;future&gt;</p> <p>&lt;future&gt;</p>                                                                                             |
| 4                         | <p>Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> <li>- Domestic/Commercial (number)</li> <li>- Garden (number)</li> </ul> <p>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period</p>                                                                                                                                                                       | <p>&lt;capacity&gt;</p> <p>&lt;capacity&gt;</p>                                                                               | <p>&lt;lifespan&gt;</p> <p>&lt;lifespan&gt;</p>                                                                                         |
| <b>Reporting Level</b>    | <b>Detail</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Total</b>                                                                                                                  |                                                                                                                                         |
| 5                         | <p>Anticipated expansion of refuse removal service:</p> <ul style="list-style-type: none"> <li>- Domestic/Commercial</li> <li>- Garden</li> </ul>                                                                                                                                                                                                                                                                                                                                                | <p>&lt;total&gt;</p> <p>&lt;total&gt;</p>                                                                                     | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p>                                                                                 |

|   |                                                                                                                                                                                                                                                                                                           |                      |          |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------|
|   | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality                                                                                                                                                                          |                      |          |
| 6 | Free Basic Service Provision:<br>- Quantity (number of households affected)<br>- Quantum (value to each household)<br>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. | <total/><br><value/> |          |
| 7 | Total operating cost of solid waste management function                                                                                                                                                                                                                                                   |                      | R (000s) |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                               |
|----------------------|-------------------------------|
| <b>Function:</b>     | <b>Waste Water Management</b> |
| <b>Sub Function:</b> | <b>Sewerage etc</b>           |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total | Cost |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------|
| Overview:                    | Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |      |
| Description of the Activity: | <p>The sewerage functions of the municipality are administered as follows and include:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |       |      |

|                           |   |                                                                                                                                                                                     |              |             |          |
|---------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|----------|
| Analysis of the Function: |   | <Provide statistical information on (as a minimum):>                                                                                                                                |              |             |          |
|                           | 1 | Number and cost to employer of all personnel associated with sewerage functions:                                                                                                    |              |             | R (000s) |
|                           |   | - Professional (Engineers/Consultants)                                                                                                                                              | <total>      | <cost>      |          |
|                           |   | - Field (Supervisors/Foremen)                                                                                                                                                       | <total>      | <cost>      |          |
|                           |   | - Office (Clerical/Administration)                                                                                                                                                  | <total>      | <cost>      |          |
|                           |   | - Non-professional (blue collar, outside workforce)                                                                                                                                 | <total>      | <cost>      |          |
|                           |   | - Temporary                                                                                                                                                                         | <total>      | <cost>      |          |
|                           |   | - Contract                                                                                                                                                                          | <total>      | <cost>      |          |
|                           |   | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package                                                                 |              |             |          |
|                           | 2 | Number of households with sewerage services, and type and cost of service:                                                                                                          |              |             | R (000s) |
|                           |   | - Flush toilet (connected to sewerage system)                                                                                                                                       | <total>      | <cost>      |          |
|                           |   | - Flush toilet (with septic tank)                                                                                                                                                   | <total>      | <cost>      |          |
|                           |   | - Chemical toilet                                                                                                                                                                   | <total>      | <cost>      |          |
|                           |   | - Pit latrine with ventilation                                                                                                                                                      | <total>      | <cost>      |          |
|                           |   | - Pit latrine without ventilation                                                                                                                                                   | <total>      | <cost>      |          |
|                           |   | - Bucket latrine                                                                                                                                                                    | <total>      | <cost>      |          |
|                           |   | - No toilet provision                                                                                                                                                               | <total>      | <cost>      |          |
|                           |   | Note: if other types of services are available, please provide details                                                                                                              |              |             |          |
|                           | 3 | Anticipated expansion of sewerage:                                                                                                                                                  |              |             | R (000s) |
|                           |   | - Flush/chemical toilet                                                                                                                                                             | <total>      | <cost>      |          |
|                           |   | - Pit latrine                                                                                                                                                                       | <total>      | <cost>      |          |
|                           |   | - Bucket latrine                                                                                                                                                                    | <total>      | <cost>      |          |
|                           |   | - No toilet provision                                                                                                                                                               | <total>      | <cost>      |          |
|                           |   | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality                                                    |              |             |          |
|                           | 4 | Free Basic Service Provision:                                                                                                                                                       |              |             |          |
|                           |   | - Quantity (number of households affected)                                                                                                                                          | <total>      |             |          |
|                           |   | - Quantum (value to each household)                                                                                                                                                 | <value>      |             |          |
| <b>Reporting Level</b>    |   | <b>Detail</b>                                                                                                                                                                       | <b>Total</b> | <b>Cost</b> |          |
|                           |   | Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. |              |             |          |
|                           | 5 | Total operating cost of sewerage function                                                                                                                                           |              |             | R (000s) |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|----------------------|-----------------------------------------------------------------------------------------------------------|---------|--------|
|                      |                                                                                                           |         |        |

|                                                                                                             |                                                                                                                                                                                                                                                     |  |  |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |  |  |
|                                                                                                             |                                                                                                                                                                                                                                                     |  |  |

|                      |                       |
|----------------------|-----------------------|
| <b>Function:</b>     | <b>Road Transport</b> |
| <b>Sub Function:</b> | <b>Roads</b>          |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Total                                                                                                                                                                 | Cost                                                                                                                                                                        |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview:                    | Construction and maintenance of roads within the municipality's jurisdiction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                       |                                                                                                                                                                             |
| Description of the Activity: | <p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p>                                                          |                                                                                                                                                                       |                                                                                                                                                                             |
| Analysis of the Function:    | <p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>1 Number and cost to employer of all personnel associated with road maintenance and construction:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Total number, kilometres and total value of road projects planned and current:</p> <ul style="list-style-type: none"> <li>- New bitumenised (number)</li> </ul> | <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;kms&gt;</p> | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>R (000s)</p> <p>&lt;cost&gt;</p> |

|                        |                                                                                                                                                                                                 |              |             |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                        | <ul style="list-style-type: none"> <li>- Existing re-tarred (number)</li> <li>- New gravel (number)</li> <li>- Existing re-sheeted (number)</li> </ul>                                          | <kms>        | <cost>      |
|                        |                                                                                                                                                                                                 | <kms>        | <cost>      |
|                        |                                                                                                                                                                                                 | <kms>        | <cost>      |
|                        | Note: if other types of road projects, please provide details                                                                                                                                   |              |             |
| 3                      | Total kilometres and maintenance cost associated with existing roads provided                                                                                                                   |              | R (000s)    |
|                        | - Tar                                                                                                                                                                                           | <total>      | <cost>      |
|                        | - Gravel                                                                                                                                                                                        | <total>      | <cost>      |
|                        | Note: if other types of road provided, please provide details                                                                                                                                   |              |             |
| 4                      | Average frequency and cost of re-tarring, re-sheeting roads                                                                                                                                     |              | R (000s)    |
|                        | - Tar                                                                                                                                                                                           | <total>      | <cost>      |
|                        | - Gravel                                                                                                                                                                                        |              |             |
|                        | Note: based on maintenance records                                                                                                                                                              |              |             |
| 5                      | Estimated backlog in number of roads, showing kilometres and capital cost                                                                                                                       |              | R (000s)    |
|                        | - Tar                                                                                                                                                                                           | <total>      | <cost>      |
|                        | - Gravel                                                                                                                                                                                        |              |             |
| <b>Reporting Level</b> | <b>Detail</b>                                                                                                                                                                                   | <b>Total</b> | <b>Cost</b> |
|                        | Note: total number should appear in IDP, and cost in future budgeted road construction programme                                                                                                |              |             |
| 6                      | Type and number of grants and subsidies received:                                                                                                                                               |              | R (000s)    |
|                        | <list each grant or subsidy separately>                                                                                                                                                         | <total>      | <value>     |
|                        | Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. |              |             |
| 7                      | Total operating cost of road construction and maintenance function                                                                                                                              |              | R (000s)    |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                       |
|----------------------|-----------------------|
| <b>Function:</b>     | <b>Road Transport</b> |
| <b>Sub Function:</b> | <b>Public Buses</b>   |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total   | Cost     |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|
| Overview:                    | Includes all activities associated with the provision of a public bus service to the community                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |          |
| Description of the Activity: | <p>The public bus service responsibilities of the municipality are administered as follows and include:</p> <p><i>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</i></p> <p>These services extend to include <i>&lt;function/area&gt;</i>, but do not take account of <i>&lt;function/area&gt;</i> which resides within the jurisdiction of <i>&lt;national/provincial/other private sector&gt;</i> government. The municipality has a mandate to:</p> <p><i>&lt;List here&gt;</i></p> <p>The strategic objectives of this function are to:</p> <p><i>&lt;List here&gt;</i></p> <p>The key issues for 200X/0Y are:</p> <p><i>&lt;List here&gt;</i></p> |         |          |
| Analysis of the Function:    | <p><i>&lt;Provide statistical information on (as a minimum):&gt;</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |          |
| 1                            | <p>Number and cost to employer of all public bus service personnel:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen incl inspectors)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce incl drivers)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>                                                                                                                                                                                                                     |         | R (000s) |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
| 2                            | <p>Number and total operating cost of public buses servicing population:</p> <ul style="list-style-type: none"> <li>- Aged less than 10 years</li> <li>- Aged 10 years or greater</li> </ul> <p>Note: this figure should be taken from the plant replacement schedule</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         | R (000s) |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <total> | <cost>   |
| 3                            | <p>Total kilometres of all buses travelled:</p> <p><i>&lt;complete&gt;</i></p> <p>Note: total number of kilometres travelled by entire fleet for year</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <total> |          |
| 4                            | <p>Total number of passengers:</p> <p><i>&lt;complete&gt;</i></p> <p>Note: total number of paying passengers travelling for year</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <total> |          |
| 5                            | <p>Total number of bus related complaints received:</p> <p><i>&lt;complete&gt;</i></p> <p>Note: total number of complaints received by paying</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <total> |          |

|   |                                                                                                                                                                                                            |         |                     |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------|
|   | customers for year                                                                                                                                                                                         |         |                     |
| 6 | Type and number of grants and subsidies received:<br><list each grant or subsidy separately>                                                                                                               | <total> | R (000s)<br><value> |
|   | Note: total value of specific bus transport grants actually received during year to be recorded over the five quarters<br>- Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year |         |                     |
| 7 | Total operating cost of public bus service function                                                                                                                                                        |         | R (000s)            |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                           |
|----------------------|---------------------------|
| <b>Function:</b>     | <b>Water</b>              |
| <b>Sub Function:</b> | <b>Water Distribution</b> |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total | Cost     |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|
| Overview:                    | Includes the bulk purchase and distribution of water                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |          |
| Description of the Activity: | <p>The water purchase and distribution functions of the municipality are administered as follows and include:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which sits within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |       |          |
| 1                            | <p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>Number and cost to employer of all personnel associated with the water distribution function:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | R (000s) |

|   |                        |                                                                                                                      |              |             |
|---|------------------------|----------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|   |                        | - Professional (Engineers/Consultants)                                                                               | <total>      | <cost>      |
|   |                        | - Field (Supervisors/Foremen)                                                                                        | <total>      | <cost>      |
|   |                        | - Office (Clerical/Administration)                                                                                   | <total>      | <cost>      |
|   |                        | - Non-professional (blue collar, outside workforce)                                                                  | <total>      | <cost>      |
|   |                        | - Temporary                                                                                                          | <total>      | <cost>      |
|   |                        | - Contract                                                                                                           | <total>      | <cost>      |
|   |                        | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. |              |             |
| 2 |                        | Percentage of total water usage per month                                                                            |              |             |
|   |                        | <Insert table showing monthly water usage >                                                                          | <volume>     | <volume>    |
|   |                        | Note: this will therefore highlight percentage of total water stock used per month                                   |              |             |
| 3 |                        | Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer                        |              | R (000s)    |
|   |                        | - Category 1 <insert here>                                                                                           | <volume>     | <cost>      |
|   |                        | - Category 2 <insert here>                                                                                           | <volume>     | <cost>      |
|   |                        | - Category 3 <insert here>                                                                                           | <volume>     | <cost>      |
|   |                        | - Category 4 <insert here>                                                                                           | <volume>     | <cost>      |
| 4 |                        | Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:                      |              | R (000s)    |
|   |                        | - Category 1 <insert here> (total number of households)                                                              | <volume>     | <cost>      |
|   |                        | - Category 2 <insert here> (total number of households)                                                              | <volume>     | <cost>      |
|   |                        | - Category 3 <insert here> (total number of households)                                                              | <volume>     | <cost>      |
|   |                        | - Category 4 <insert here> (total number of households)                                                              | <volume>     | <cost>      |
| 5 |                        | Total year-to-date water losses in kilolitres and rand                                                               |              | R (000s)    |
|   |                        | <detail total>                                                                                                       | <volume>     | <cost>      |
|   | <b>Reporting Level</b> | <b>Detail</b>                                                                                                        | <b>Total</b> | <b>Cost</b> |
| 6 |                        | Number of households with water service, and type and cost of service:                                               |              | R (000s)    |
|   |                        | - Piped water inside dwelling                                                                                        | <total>      | <cost>      |
|   |                        | - Piped water inside yard                                                                                            | <total>      | <cost>      |
|   |                        | - Piped water on community stand: distance < 200m from dwelling                                                      | <total>      | <cost>      |
|   |                        | - Piped water on community stand: distance > 200m from dwelling                                                      | <total>      | <cost>      |
|   |                        | - Borehole                                                                                                           | <total>      | <cost>      |
|   |                        | - Spring                                                                                                             | <total>      | <cost>      |
|   |                        | - Rain-water tank                                                                                                    | <total>      | <cost>      |
|   |                        | Note: if other types of services are available, please provide details                                               |              |             |
| 7 |                        | Number and cost of new connections:                                                                                  |              | R (000s)    |
|   |                        | <detail total>                                                                                                       | <number>     | <cost>      |
| 8 |                        | Number and cost of disconnections and reconnections:                                                                 |              | R (000s)    |
|   |                        | <detail total>                                                                                                       | <number>     | <cost>      |
| 9 |                        | Number and total value of water projects planned and current:                                                        |              | R (000s)    |
|   |                        | - Current (financial year after year reported on)                                                                    | <total>      | <cost>      |
|   |                        | - Planned (future years)                                                                                             | <total>      | <cost>      |
|   |                        | Note: provide total project and project value as per initial or revised budget                                       |              |             |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                           |                                                                      |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------|
| 10 | Anticipated expansion of water service:<br>- Piped water inside dwelling<br>- Piped water inside yard<br>- Piped water on community stand: distance < 200m from dwelling<br>- Piped water on community stand: distance > 200m from dwelling<br>- Borehole<br>- Spring<br>- Rain-water tank<br>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality | <total><br><total><br><total><br><total><br><total><br><total><br><total> | R (000s)<br><cost><br><cost><br><cost><br><cost><br><cost><br><cost> |
| 11 | Estimated backlog in number (and cost to provide) water connection:<br>- Piped water inside dwelling<br>- Piped water inside yard<br>- Piped water on community stand: distance < 200m from dwelling<br>- Piped water on community stand: distance > 200m from dwelling<br>- Borehole<br>- Spring<br>- Rain-water tank<br>Note: total number should appear in IDP, and cost in future budgeted capital housing programmes      | <total><br><total><br><total><br><total><br><total><br><total><br><total> | R (000s)<br><cost><br><cost><br><cost><br><cost><br><cost><br><cost> |
| 12 | Free Basic Service Provision:<br>- Quantity (number of households affected)<br>- Quantum (value to each household)<br>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.                                                                                                                      | <total><br><value>                                                        |                                                                      |
| 13 | Type and number of grants and subsidies received:<br><list each grant or subsidy separately><br>Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.                                                                                                                               | <total>                                                                   | R (000s)<br><value>                                                  |
| 14 | Total operating cost of water distribution function                                                                                                                                                                                                                                                                                                                                                                            |                                                                           | R (000s)                                                             |

| Key Performance Area                                                                                  | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|       |  |  |  |
|-------|--|--|--|
| here> |  |  |  |
|       |  |  |  |

|                      |                                 |
|----------------------|---------------------------------|
| <b>Function:</b>     | <b>Electricity</b>              |
| <b>Sub Function:</b> | <b>Electricity Distribution</b> |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Total                                                                                                                         | Cost                                                                                                                                    |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Overview:                    | Includes the bulk purchase and distribution of electricity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                               |                                                                                                                                         |
| Description of the Activity: | <p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |                                                                                                                               |                                                                                                                                         |
| Analysis of the Function:    | <p>&lt;Provide statistical information on (as a minimum):&gt;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                               |                                                                                                                                         |
| 1                            | <p>Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>                                                                                                                                                                         | <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p> | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> |
| 2                            | <p>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</p> <ul style="list-style-type: none"> <li>- Residential</li> <li>- Commercial</li> <li>- Industrial</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>&lt;volume&gt;</p> <p>&lt;volume&gt;</p> <p>&lt;volume&gt;</p>                                                             | <p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p>                                                             |

|    |                                                                                                                                  |               |              |             |
|----|----------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|-------------|
|    |                                                                                                                                  | - Mining      | <volume>     | <cost>      |
|    |                                                                                                                                  | - Agriculture | <volume>     | <cost>      |
|    |                                                                                                                                  | - Other       | <volume>     | <cost>      |
| 3  | Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:                      |               |              | R (000s)    |
|    | - Household                                                                                                                      | <volume>      | <cost>       |             |
|    | - Commercial                                                                                                                     | <volume>      | <cost>       |             |
|    | - Industrial                                                                                                                     | <volume>      | <cost>       |             |
|    | - Mining                                                                                                                         | <volume>      | <cost>       |             |
|    | - Agriculture                                                                                                                    | <volume>      | <cost>       |             |
|    | - Other                                                                                                                          | <volume>      | <cost>       |             |
| 4  | Total year-to-date electricity losses in kilowatt hours and rand                                                                 |               |              | R (000s)    |
|    | <detail total>                                                                                                                   | <volume>      | <cost>       |             |
| 5  | Number of households with electricity access, and type and cost of service:                                                      |               |              | R (000s)    |
|    | <b>Reporting Level</b>                                                                                                           | <b>Detail</b> | <b>Total</b> | <b>Cost</b> |
|    | - Electrified areas                                                                                                              |               |              |             |
|    | - Municipal                                                                                                                      | <total>       | <cost>       |             |
|    | - Eskom                                                                                                                          | <total>       | <cost>       |             |
|    | - Alternate energy source                                                                                                        |               |              |             |
|    | - Gas                                                                                                                            | <total>       | <cost>       |             |
|    | - Paraffin                                                                                                                       | <total>       | <cost>       |             |
|    | - Solar                                                                                                                          | <total>       | <cost>       |             |
|    | - Wood                                                                                                                           | <total>       | <cost>       |             |
|    | - Non electrified                                                                                                                | <total>       | <cost>       |             |
|    | Note: if other types of services are available, please provide details                                                           |               |              |             |
| 6  | Number and cost of new connections:                                                                                              |               |              | R (000s)    |
|    | <detail total>                                                                                                                   | <volume>      | <cost>       |             |
| 7  | Number and cost of disconnections and reconnections                                                                              |               |              | R (000s)    |
|    | <detail total>                                                                                                                   | <volume>      | <cost>       |             |
| 8  | Number and total value of electrification projects planned and current:                                                          |               |              | R (000s)    |
|    | - Current (financial year after year reported on)                                                                                | <total>       | <cost>       |             |
|    | - Planned (future years)                                                                                                         | <total>       | <cost>       |             |
|    | Note: provide total project and project value as per initial or revised budget                                                   |               |              |             |
| 9  | Anticipated expansion of electricity service:                                                                                    |               |              | R (000s)    |
|    | <detail total>                                                                                                                   | <total>       | <cost>       |             |
|    | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality |               |              |             |
| 10 | Estimated backlog in number (and cost to provide) water connection:                                                              |               |              | R (000s)    |
|    | <detail total>                                                                                                                   | <total>       | <cost>       |             |
|    | Note: total number should appear in IDP, and cost in future budgeted capital housing programmes                                  |               |              |             |
| 11 | Free Basic Service Provision:                                                                                                    |               |              |             |
|    | - Quantity (number of households affected)                                                                                       | <total>       |              |             |

|    |                                                                                                                                                                                                                            |         |                     |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------|
|    | - Quantum (value to each household)<br>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. | <value> |                     |
| 12 | Type and number of grants and subsidies received:<br><list each grant or subsidy separately>                                                                                                                               | <total> | R (000s)<br><value> |
|    | Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.                     |         |                     |
| 13 | Total operating cost of electricity distribution function                                                                                                                                                                  |         | R (000s)            |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |

|                      |                        |
|----------------------|------------------------|
| <b>Function:</b>     | <b>Electricity</b>     |
| <b>Sub Function:</b> | <b>Street Lighting</b> |

| Reporting Level              | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Total | Cost |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------|
| Overview:                    | Includes all activities associated with the provision of street lighting to the community                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |      |
| Description of the Activity: | <p>Street lighting responsibilities of the municipality are administered as follows and include:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p> |       |      |

|                           |   |                                                                               |         |          |
|---------------------------|---|-------------------------------------------------------------------------------|---------|----------|
| Analysis of the Function: |   | <Provide statistical information on (as a minimum):>                          |         |          |
|                           | 1 | Number and total operating cost of streetlights servicing population:         |         | R (000s) |
|                           |   | <complete>                                                                    | <total> | <cost>   |
|                           |   | Note: total streetlights should be available from municipal inventory         |         |          |
|                           | 2 | Total bulk kilowatt hours consumed for streetlighting:                        |         |          |
|                           |   | <complete>                                                                    | <total> |          |
|                           |   | Note: total number of kilowatt hours consumed by all street lighting for year |         |          |

| Key Performance Area                                                                                        | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                                                                                                                                           | Current | Target |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| <List at least five key performance areas relative to the above function as articulated in the budget here> | < List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. |         |        |
|                                                                                                             |                                                                                                                                                                                                                                                     |         |        |